

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Filing at a Glance

Company: The Guardian Life Insurance Company of America
Product Name: Group Dental PPO
State: Colorado
TOI: H10G Group Health - Dental
Sub-TOI: H10G.000 Health - Dental
Filing Type: Rate
Date Submitted: 07/05/2013
SERFF Tr Num: GARD-129106322
SERFF Status: Closed-Filed
State Tr Num: 279809
State Status: Filed
Co Tr Num: 0146GUA01-03

Implementation: 01/01/2014
Date Requested:
Author(s): Victoria Arama, Marilyn Young, Mark Kowaleske, Joe Collins, Melanie Glassic, Heather Gulla, Jeff Kulesus
Reviewer(s): Nichole Boggess (primary), Cathy Gilliland, Amy Filler, Rachel Plummer, Michael Muldoon, Scott Campbell
Disposition Date: 08/09/2013
Disposition Status: Filed
Implementation Date: 01/01/2014

State Filing Description:

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

General Information

Project Name: Group Dental Products Project	Status of Filing in Domicile: Pending
Project Number: 0146GUA01-03	Date Approved in Domicile:
Requested Filing Mode: File & Use	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Group
Submission Type: New Submission	Group Market Size: Small
Group Market Type: Employer	Overall Rate Impact:
Filing Status Changed: 08/09/2013	Deemer Date:
State Status Changed: 08/03/2013	Submitted By: Jeff Kulesus
Created By: Jeff Kulesus	
Corresponding Filing Tracking Number: GARD-128987239	

Filing Description:

The attached are the rates for the SHOP Exchange Filing-related forms previously submitted to your Department for review and approval for use in the State of Colorado for purposes of selling group dental plans through the Colorado Health Benefit Exchange (COHBE) on 06-14-2013, SERFF Tracking Number GARD-128987239, State Tracking Number 279139.

It is our intention that, upon approval, the rate would become effective beginning in 2014. Both the rates and forms are new and do not replace any other previously submitted rates or forms.

Please note that upon approval, we intend to use such rates and forms on the Exchange, as well as the open market.

Your early consideration of this submission is greatly appreciated.

Company and Contact

Filing Contact Information

Heather Bleamer, Contract Analyst	Heather_bleamer@glic.com
7 Hanover Square	610-807-7676 [Phone]
H 22-C	
New York, NY 10011	

Filing Company Information

The Guardian Life Insurance	CoCode: 64246	State of Domicile: New York
Company of America	Group Code: 429	Company Type: Life
7 Hanover Square	Group Name:	State ID Number: CO
New York, NY 10004	FEIN Number: 13-5123390	
(212) 598-8704 ext. [Phone]		

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

State Specific

Please enter state-specific code(s) found in Colorado's Filing Requirements Bulletins, or on the General Instructions page. Please list all applicable state-specific codes. If no codes are applicable, please enter N/A.: 645 Non-Grandfathered PPACA, H10G, H10G.000

All rate and loss cost filing types MUST be submitted with completed Rate Data Fields in accordance with Sections 10-4-401 and 10-16-107 C.R.S. This requirement does not apply to form filing types. Rate and loss cost filings not including this data will be rejected. If this is a rate or loss cost filing, have these fields been completed?: N/A

Have you completed the Forms Schedule Tab? ALL Life, Accident, and Health Rate and Form filing types require the Form Schedule Tab to be completed. In addition, all Form, Annual Form Certification, and Refund Calculation filing types require the Form Schedule Tab to be completed. The actual form must be attached to Form filing types only when filing: Medicare Supplement, Long-Term Care Partnership, Stop Loss, P&C Summary Disclosure Forms, and Workers Compensation. It is not necessary to submit the actual form for other lines of insurance. Thank you.: Yes

State: Colorado
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Filing Company: The Guardian Life Insurance Company of America

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Nichole Boggess	08/09/2013	08/09/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Scott Campbell	07/31/2013	07/31/2013
Pending Industry Response	Rachel Plummer	07/30/2013	07/30/2013
Pending Industry Response	Scott Campbell	07/29/2013	07/29/2013
Pending Industry Response	Michael Muldoon	07/28/2013	07/28/2013
Pending Industry Response	Cathy Gilliland	07/26/2013	07/26/2013
Pending Industry Response	Nichole Boggess	07/23/2013	07/23/2013
Pending Industry Response	Michael Muldoon	07/18/2013	07/18/2013

Response Letters

Responded By	Created On	Date Submitted
Heather Gulla	07/31/2013	07/31/2013
Heather Gulla	07/30/2013	07/30/2013
Heather Gulla	07/30/2013	07/30/2013
Heather Gulla	07/29/2013	07/29/2013
Heather Gulla	07/30/2013	07/30/2013
Heather Gulla	07/26/2013	07/26/2013
Heather Gulla	07/26/2013	07/26/2013

State: Colorado
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Filing Company: The Guardian Life Insurance Company of America

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Michael Muldoon	07/14/2013	07/14/2013
Pending Industry Response	Nichole Boggess	07/11/2013	07/11/2013

Response Letters

Responded By	Created On	Date Submitted
Heather Gulla	07/22/2013	07/22/2013
Heather Gulla	07/22/2013	07/22/2013

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	DHMO act. memos.	Victoria Arama	08/02/2013	08/02/2013
Supporting Document	Actuarial Material	Heather Gulla	08/01/2013	08/01/2013

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Disposition Letter	Note To Filer	Nichole Boggess	08/09/2013	08/09/2013
7-31-13 Note asking for DHMO Rates to be attached to this filing.	Note To Reviewer	Heather Gulla	08/01/2013	08/01/2013
Attached Your DHMO rates and justification, needed these included in this rate filing for justification for these plans.	Note To Filer	Michael Muldoon	07/31/2013	07/31/2013
Cathy Gilliland Objection 7/26/2013	Note To Reviewer	Heather Gulla	07/26/2013	07/26/2013
Outstanding Objections	Note To Reviewer	Heather Gulla	07/24/2013	07/24/2013
Mineral County Clarification	Note To Filer	Rachel Plummer	07/18/2013	07/18/2013
Extension approved	Note To Filer	Nichole Boggess	07/17/2013	07/17/2013

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State:

Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health - Dental

Product Name:

Group Dental PPO

Project Name/Number:

Group Dental Products Project/0146GUA01-03

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Objection Response Due Dates	Note To Reviewer	Heather Gulla	07/16/2013	07/16/2013
Requesting a Phone Conference to Discuss Inadequate Actuarial Memorandum Support for Rating Factors	Note To Filer	Michael Muldoon	07/14/2013	07/14/2013

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Disposition

Disposition Date: 08/09/2013
 Implementation Date: 01/01/2014
 Status: Filed

Comment: State Tracking #279809
 Company: The Guardian Life Insurance Company
 Product Line: Small Group Standalone Dental

Rate Implementation Summary

Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014
 This is a new Filing for 2014 Standalone Dental plans, there is no rate change involved with this filing.

The purpose of this rate filing is to establish new product rates for standalone dental plans that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Exchange if applicable.

On Exchange Only Plans
 Child Only Pediatric: 2 plans (High AV Pediatric Dental, Low Av Pediatric Dental)

Off Exchange Only Plans
 Other Adult & Child: 4 plans (High AV With & Without Ortho, Low Av With & Without Ortho)

Final Rate Filing Disposition
 The Division has filed the rates in their final form after all adjustments.

See attached document for more information on this filing.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

The Guardian Life Insurance Company of America	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%
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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	HR-1 Form (H)		Yes
Supporting Document (revised)	Actuarial Material		Yes
Supporting Document	Actuarial Material		Yes
Supporting Document	Actuarial Material		Yes
Supporting Document	Actuarial Material		Yes
Supporting Document	Actuarial Material		Yes
Supporting Document	Actuarial Material		Yes
Supporting Document	DHMO act. memos.		Yes
Form	Policy Form		Yes
Form	Pediatric Dental Certificate		Yes
Form	Supplement Dental Certificate		Yes
Form	Schedule of Benefits		Yes
Form	Schedule of Benefits		Yes
Form	Schedule of Benefits		Yes
Form	Schedule of Benefits		Yes
Form	Schedule of Benefits		Yes
Form	Schedule of Benefits		Yes
Form	Schedule of Premium Rates		Yes
Rate (revised)	Exhibit 1 for CO Group EHB Rate Filing		Yes
Rate	Exhibit 1 for CO Group EHB Rate Filing		Yes

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	Exhibit 1 for CO Group EHB Rate Filing		Yes
Rate (revised)	Exhibit 1 for Group SUPP Rate Filing		Yes
Rate	Exhibit 1 for Group SUPP Rate Filing		Yes
Rate	Exhibit 1 for Group SUPP Rate Filing		Yes
Rate	Exhibit 2		Yes
Rate (revised)	Exhibit 1 for CO Group EHB Rate Filing		Yes
Rate	Exhibit 1 for CO Group EHB Rate Filing		Yes
Rate (revised)	Exhibit 1 for Group SUPP Rate Filing		Yes
Rate	Exhibit 1 for Group SUPP Rate Filing		Yes

Final Disposition Letter

State Tracking #279809

Company: The Guardian Life Insurance Company

Product Line: Small Group Standalone Dental

Rate Implementation Summary

Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014

This is a new Filing for 2014 Standalone Dental plans, there is no rate change involved with this filing.

The purpose of this rate filing is to establish new product rates for standalone dental plans that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Exchange if applicable.

On Exchange Only Plans

Child Only Pediatric: 2 plans (High AV Pediatric Dental, Low Av Pediatric Dental)

Off Exchange Only Plans

Other Adult & Child: 4 plans (High AV With & Without Ortho, Low Av With & Without Ortho)

Rate Methodology

Experience Used for Rate Setting: The average 2011 Child Only claims cost per procedure (excluding Ortho) was used to develop starting claim costs for a 100/80/50 Dental plan and an Annual Maximum of \$1,300. This plan design represents the average amount of coverage for our nationwide in-force Group Dental block of business.

2012 Experience Period Loss Ratio: Colorado experienced a 61.8% loss ratio based on 4,413 enrolled members with \$3.8 Million in premium.

National business experienced a 62.2% loss ratio based on 620,207 enrolled members with \$528.1 Million in premium.

Annual Dental Cost Trends: 5%.

Premium Retained to Cover Expenses, Taxes Fees and Profits

Administrative costs: Expenses the insurance company pays to operate this insurance plan.

This includes all expenses not directly related to paying claims, such as, but not limited to, salaries of company employees, the cost of the company's offices and equipment, commissions to agents to sell and service policies, subsidies to cover legally required plans such as portability, and taxes.

Profit: The amount of money remaining after claims and administrative expenses are paid. Margin is the comparable term for a nonprofit insurance company.

Premium retention is 35% shown as follows:

Admin Expenses: 14.0%

Commission Expenses: 8.9%

Premium Tax: 2.7%

Health Insurer Fee: 4.0%

Exchange Fee: 1.4%

Profit: 4.0%

Final Disposition Letter

Sample of Final Premium Levels

				Boulder		Colorado Springs		Denver		Fort Collins		Grand Junction		Pueblo				
				Rating Area 1		Rating Area 2		Rating Area 3		Rating Area 4		Rating Area 5		Rating Area 7				
Company	Network Name	Plan Type	Level of Coverage	Age	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High		
The Guardian Life	DentalGuard Preferred	HMO	High	0-20	\$23.44	\$23.44	\$23.44	\$23.44	\$23.44	\$23.44	\$23.44	\$23.44	\$23.44	\$23.44	\$23.44	\$23.44		
				27														
			Low	0-20	\$10.83	\$12.54	\$10.83	\$12.54	\$10.83	\$12.54	\$10.83	\$12.54	\$10.83	\$12.54	\$10.83	\$12.54	\$10.83	\$12.54
				27	\$11.86		\$11.86		\$11.86		\$11.86		\$11.86		\$11.86		\$11.86	
		PPO	High	0-20	\$34.38	\$39.66	\$34.29	\$39.55	\$33.72	\$38.94	\$32.29	\$37.36	\$32.03	\$37.07	\$32.03	\$37.07	\$32.03	\$37.07
				27	\$31.02		\$30.93		\$30.40		\$29.01		\$28.74		\$28.74		\$28.74	
			Low	0-20	\$27.83	\$31.35	\$27.76	\$31.27	\$27.32	\$30.80	\$26.18	\$29.56	\$25.97	\$29.33	\$25.97	\$29.33	\$25.97	\$29.33
				27	\$23.09		\$23.03		\$22.63		\$21.59		\$21.40		\$21.40		\$21.40	

Division Objections and Rate Changes During the Review Process

All objections made by the Division have been met.

Final Rate Filing Disposition

The Division has filed the rates in their final form after all adjustments.

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/31/2013
Submitted Date	07/31/2013
Respond By Date	07/31/2013

Dear Heather Bleamer,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: I apologize about an earlier objection the Act memo needs to be in the supporting documents tab not the Rate/Rule Schedule tab. I apologize about to confusion

Conclusion:

If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.

Sincerely,

Scott Campbell

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/30/2013
Submitted Date	07/30/2013
Respond By Date	07/30/2013

Dear Heather Bleamer,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: Please include information and rates about the 5 HMO plans you are offering within this rate filing. They are in the binder filing, but not mentioned in the rate filing. This means an update to the rate manual (under the Rate/Rule Schedule tab) and the Act Memo (under the Supporting Docs tab) is necessary.

Per our phone call this morning, we acknowledge this issue has been verbally addressed.

Objection 2

Comments: Please provide explanation and support of the 4% health insurers fee loading.

Per our phone call this morning, we acknowledge this issue has been verbally addressed.

Conclusion:

If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/30/2013, which is within 0 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 07/30/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,

Rachel Plummer

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/29/2013
Submitted Date	07/29/2013
Respond By Date	07/30/2013

Dear Heather Bleamer,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- Actuarial Material (Supporting Document)

Comments: Please move the Actuarial Memos from the Supporting Documents tab to the Rate/Rule Schedule tab.

Objection 2

- Exhibit 1 for CO Group EHB Rate Filing, [GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPLOW-SHOP-CO] (Rate)

- Exhibit 1 for Group SUPP Rate Filing, [GC-SUPP-SHOP-13-CO, SCH2-SUPP-PPOHIGH-SHOP-CO, SCH4-SUPP-PPLOW-SHOP-CO] (Rate)

Comments: These exhibits do not clearly state associated plan IDs, and because of this we cannot map out rates for the following plan IDs 35897CO0120001,130001,140001. Please include plan IDs to these exhibits so we can appropriately match rates to plans.

Objection 3

- Exhibit 2, [GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPLOW-SHOP-CO] (Rate)

Comments: Please include all plan build up as you did for EHB High Plan and EHB Low Plan. Please include plan IDs so we can map out these exhibits to the rate data template.

Conclusion:

If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.

Sincerely,
Scott Campbell

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/28/2013
Submitted Date	07/28/2013
Respond By Date	07/29/2013

Dear Heather Bleamer,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- Actuarial Material (Supporting Document)

Comments: Please clarify your use of a 2.7% premium tax retention load. The Colorado State Premium tax is 2.0%.

Conclusion:

If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.

Sincerely,

Michael Muldoon

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/26/2013
Submitted Date	07/26/2013
Respond By Date	07/29/2013

Dear Heather Bleamer,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- Exhibit 1 for CO Group EHB Rate Filing, [GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPOLOW-SHOP-CO] (Rate)

Comments: Please correct the rate manual for Mineral county. Mineral county should be in region 8.

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/29/2013, which is within 3 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 07/29/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,

Cathy Gilliland

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/23/2013
Submitted Date	07/23/2013
Respond By Date	07/26/2013

Dear Heather Bleamer,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: The Form Schedule tab in SERFF must be completed for ALL Rate filings and for ALL Form filings. Do not submit actual forms in Rate filings. Forms are not to be remitted in Form filings unless the forms are for long-term care policies, stop-loss policies, or Medicare Supplement policies.

Objection 2

- Actuarial Material (Supporting Document)

Comments: Regulation 4-2-11 Section 6 (A) (4): Please provide the following: 4. Premium classification: The section should state all attributes upon which the premium rates vary.

Objection 3

- Actuarial Material (Supporting Document)

Comments: Regulation 4-2-11 Section 6 (A) (6) Please provide the following information: 6. Policy/Rider form: A listing of all policy/rider forms impacted by the filing (for standardized Medicare supplement, the plans should be identified).

Objection 4

- Actuarial Material (Supporting Document)

Comments: Regulation 4-2-11 Section 6 (A) (7) Please provide the following information: 7. Age basis: A statement as to whether the premiums will be charged on an issue age, attained age, renewal age or other basis and the issue age range of the form should be specified.

Objection 5

- Actuarial Material (Supporting Document)

Comments: Regulation 4-2-11 Section 6 (P) Please provide the following information: Benefits Ratio Projections: The memorandum must contain a section projecting the benefits ratio, over the rating period, with the requested rate change. The comparison should be shown in chart form; with projected premiums, projected incurred claims and projected benefits ratio over the rating period, with the requested rate change. The corresponding projection calculations should also be included. For products priced using a lifetime loss ratio standard, such as long-term care, Medicare supplement and long term disability, the projections should include a timeframe as to when the lifetime loss ratio will be achieved.

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/26/2013, which is within 3 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 07/26/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Failure to provide a full or complete response, or to request an extension for a specified period, will result in the rate filing being DISAPPROVED on the basis that the rate filing is incomplete, pursuant to §10-16-107(1.6)(a)(V), C.R.S. Proposed rates may not be used in any manner until an adequate response to this objection has been received and the above referenced rate filing has been approved by the Division.

Sincerely,
Nichole Boggess

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/18/2013
Submitted Date	07/18/2013
Respond By Date	07/24/2013

Dear Heather Bleamer,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: For plans to be sold on the Exchange, multi tier rating will not be allowed. Only single individual rates can be used. Please correct your rating manual in the rate filing and rate data template to comply with this requirement.

Family Structure: Each member of the household will be charged a separate rate. One exception is that only the three oldest dependents under the age of 21 will be charged a premium. Four tier rating structures will NOT be supported via C4HCO.

Please see http://www.connectforhealthco.com/wpfb-file/20130604_connect-for-health-colorado-qdp-certification-application-instructions-pdf/

Conclusion:

If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/24/2013, which is within 6 calendar days from the date of this correspondence.

Failure to provide a full or complete response may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,

Michael Muldoon

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/14/2013
Submitted Date	07/14/2013
Respond By Date	07/22/2013

Dear Heather Bleamer,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- Actuarial Material (Supporting Document)

Comments: The Division objects to the lack of support included in this filing for all rating factors, lack of projection calculation demonstrating how expected claims and premiums for the new rating period are developed.

This filing is grossly inadequate. Please see my Note to Filer requesting a meeting for July 16th to discuss.

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/16/2013, which is within 2 calendar days from the date of this correspondence.

Failure to provide a full or complete response may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

*Sincerely,
Michael Muldoon*

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/11/2013
Submitted Date	07/11/2013
Respond By Date	07/22/2013

Dear Heather Bleamer,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- Actuarial Material (Supporting Document)

Comments: Your company's Actuarial Memorandum is not compliant with the current version of Colorado Regulation 4-2-11. EVERY item in Section 6 MUST be discussed. Also, it is now a requirement that the Actuarial Memorandum items MUST be presented in the order in which it is demonstrated in the regulation. Please review the current version of Colorado Regulation 4-2-11, found on our website, prior to submitting.

Objection 2

Comments: The Form Schedule tab in SERFF must be completed for ALL Rate filings and for ALL Form filings. Do not submit actual forms in Rate filings. Forms are not to be remitted in Form filings unless the forms are for long-term care policies, stop-loss policies, or Medicare Supplement policies.

Objection 3

Comments: Once a filing has been submitted, the Lead Form Number cannot be changed. For future filings, please ensure that the Lead Form Number field has been completed. For more information and guidance on how to update the form schedule tab, please contact the SERFF help desk.

Objection 4

Comments: Please attach the rating manual to the rate / rule schedule tab.

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/18/2013, which is within 7 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 07/18/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, will result in the rate filing being DISAPPROVED on the basis that the rate filing is incomplete, pursuant to §10-16-107(1.6)(a)(V), C.R.S. Proposed rates may not be used in any manner until an adequate response to this objection has been received and the above referenced rate filing has been approved by the Division.

Sincerely,
Nichole Boggess

SERFF Tracking #: GARD-129106322 State Tracking #: 279809

Company Tracking #: 0146GUA01-03

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/31/2013
Submitted Date	07/31/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

No problem. We moved the Actuarial Memoranda back to the Supporting Documentation tab.

Related Objection 1

Comments: I apologize about an earlier objection the Act memo needs to be in the supporting documents tab not the Rate/Rule Schedule tab. I apologize about to confusion

Changed Items:

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State: Colorado
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Filing Company: The Guardian Life Insurance Company of America

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Material
Comments:	Attached supporting actuarial documentation.
Attachment(s):	Actuarial Memo HCR - CO (EHB Group)(Rev) v3.pdf Actuarial Memo HCR - CO (Supp Group)(Rev) v3.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Material</i>
Comments:	<i>Attached supporting actuarial documentation.</i>
Attachment(s):	
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Material</i>
Comments:	<i>Attached supporting actuarial documentation.</i>
Attachment(s):	<i>Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf Exhibit 2 for CO Group EHB Rate Filing.pdf Actuarial Memo HCR - CO (EHB Group)(Rev) v2.pdf Actuarial Memo HCR - CO _Supp Group_ _Rev_ v2.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Material</i>
Comments:	<i>Attached supporting actuarial documentation.</i>
Attachment(s):	<i>Actuarial Memo HCR - CO (EHB Group)(Rev).pdf Actuarial Memo HCR - CO (Supp Group)(Rev).pdf Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf Exhibit 2 for CO Group EHB Rate Filing.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Material</i>

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State:

Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health - Dental

Product Name:

Group Dental PPO

Project Name/Number:

Group Dental Products Project/0146GUA01-03

Comments:

Attached supporting actuarial documentation.

Attachment(s):

*CO Actuarial Memo HCR - CO (EHB Group).pdf
CO Actuarial Memo HCR - CO (Supp Group).pdf
CO Exhibit 1 for CO Group EHB Rate Filing.pdf
CO Exhibit 1 for CO Group Supp Rate Filing.pdf*

No Form Schedule items changed.

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Exhibit 1 for CO Group EHB Rate Filing	GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPLOW-SHOP-CO	New			07/31/2013 By: Heather Gulla
<i>Previous Version</i>						
1	<i>Exhibit 1 for CO Group EHB Rate Filing</i>	<i>GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPLOW-SHOP-CO</i>	<i>New</i>		<i>Actuarial Memo HCR - CO (EHB Group)(Rev) v3.pdf,</i>	<i>07/30/2013 By: Heather Gulla</i>
2	Exhibit 1 for Group SUPP Rate Filing	GC-SUPP-SHOP-13-CO, SCH2-SUPP-PPOHIGH-SHOP-CO, SCH4-SUPP-PPLOW-SHOP-CO	New			07/31/2013 By: Heather Gulla
<i>Previous Version</i>						
2	<i>Exhibit 1 for Group SUPP Rate Filing</i>	<i>GC-SUPP-SHOP-13-CO, SCH2-SUPP-PPOHIGH-SHOP-CO, SCH4-SUPP-PPLOW-SHOP-CO</i>	<i>New</i>		<i>Actuarial Memo HCR - CO (Supp Group)(Rev) v3.pdf,</i>	<i>07/30/2013 By: Heather Gulla</i>

Conclusion:

Sincerely,

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State:

Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health - Dental

Product Name:

Group Dental PPO

Project Name/Number:

Group Dental Products Project/0146GUA01-03

Heather Gulla

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Response Letter

Response Letter Status Submitted to State
Response Letter Date 07/30/2013
Submitted Date 07/30/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

A separate rate filing will be submitted for the DHMO plans and will be transmitted under SERFF Tracking Number GARD-129138868.

Related Objection 1

Comments: Please include information and rates about the 5 HMO plans you are offering within this rate filing. They are in the binder filing, but not mentioned in the rate filing. This means an update to the rate manual (under the Rate/Rule Schedule tab) and the Act Memo (under the Supporting Docs tab) is necessary.

Per our phone call this morning, we acknowledge this issue has been verbally addressed.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

The required analysis forced us to reassess the expense allocation we initially provided. The Act Memos reflect the new allocation. The Health Insurer Fee is now 2.6%. The 4% included the amount we need to charge for the Fee because the expense is not deductible. We concluded that we should only include the actual Fee and not the premium load into the "Taxes" line item. We also revised our expenses to include Federal Income Tax. The new expense allocation is included in the Act Memos attached with the response submitted a few moments ago.

Related Objection 2

Comments: Please provide explanation and support of the 4% health insurers fee loading.

Per our phone call this morning, we acknowledge this issue has been verbally addressed.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Heather Gulla

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State:

Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health - Dental

Product Name:

Group Dental PPO

Project Name/Number:

Group Dental Products Project/0146GUA01-03

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/30/2013
Submitted Date	07/30/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

This information has been moved to the Rate Tab.

Related Objection 1

Applies To:

- Actuarial Material (Supporting Document)

Comments: Please move the Actuarial Memos from the Supporting Documents tab to the Rate/Rule Schedule tab.

Changed Items:

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Supporting Document Schedule Item Changes**Satisfied - Item:** Actuarial Material**Comments:** Attached supporting actuarial documentation.**Attachment(s):***Previous Version***Satisfied - Item:** Actuarial Material**Comments:** Attached supporting actuarial documentation.**Attachment(s):**
Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf
Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf
Exhibit 2 for CO Group EHB Rate Filing.pdf
Actuarial Memo HCR - CO (EHB Group)(Rev) v2.pdf
*Actuarial Memo HCR - CO _Supp Group__Rev_ v2.pdf**Previous Version***Satisfied - Item:** Actuarial Material**Comments:** Attached supporting actuarial documentation.**Attachment(s):**
Actuarial Memo HCR - CO (EHB Group)(Rev).pdf
Actuarial Memo HCR - CO (Supp Group)(Rev).pdf
Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf
Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf
*Exhibit 2 for CO Group EHB Rate Filing.pdf**Previous Version***Satisfied - Item:** Actuarial Material**Comments:** Attached supporting actuarial documentation.**Attachment(s):**
CO Actuarial Memo HCR - CO (EHB Group).pdf
CO Actuarial Memo HCR - CO (Supp Group).pdf
CO Exhibit 1 for CO Group EHB Rate Filing.pdf
CO Exhibit 1 for CO Group Supp Rate Filing.pdf

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State:

Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health - Dental

Product Name:

Group Dental PPO

Project Name/Number:

Group Dental Products Project/0146GUA01-03

No Form Schedule items changed.

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Exhibit 1 for CO Group EHB Rate Filing	GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPOLOW-SHOP-CO	New		Exhibit 1 for CO Group EHB Rate Filing(Rev) v2.pdf,	07/30/2013 By: Heather Gulla
<i>Previous Version</i>						
1	<i>Exhibit 1 for CO Group EHB Rate Filing</i>	<i>GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPOLOW-SHOP-CO</i>	<i>New</i>		<i>Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf,</i>	<i>07/22/2013 By: Heather Gulla</i>
<i>Previous Version</i>						
1	<i>Exhibit 1 for CO Group EHB Rate Filing</i>	<i>GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPOLOW-SHOP-CO</i>	<i>New</i>		<i>CO Exhibit 1 for CO Group EHB Rate Filing.pdf,</i>	<i>07/05/2013 By: Jeff Kulesus</i>
2	Exhibit 1 for Group SUPP Rate Filing	GC-SUPP-SHOP-13-CO, SCH2-SUPP-PPOHIGH-SHOP-CO, SCH4-SUPP-PPOLOW-SHOP-CO	New		Exhibit 1 for CO Group Supp Rate Filing(Rev) v2.pdf,	07/30/2013 By: Heather Gulla
<i>Previous Version</i>						

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Rate/Rule Schedule Item Changes

2	Exhibit 1 for Group SUPP Rate Filing	GC-SUPP-SHOP-13-CO, SCH2-SUPP-PPOHIGH-SHOP-CO, SCH4-SUPP-PPLOW-SHOP-CO	New		Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf,	07/22/2013 By: Heather Gulla
<i>Previous Version</i>						
2	Exhibit 1 for Group SUPP Rate Filing	GC-SUPP-SHOP-13-CO, SCH2-SUPP-PPOHIGH-SHOP-CO, SCH4-SUPP-PPLOW-SHOP-CO	New		CO Exhibit 1 for CO Group Supp Rate Filing.pdf,	07/05/2013 By: Jeff Kulesus
3	Exhibit 1 for CO Group EHB Rate Filing	GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPLOW-SHOP-CO	New		Actuarial Memo HCR - CO (EHB Group)(Rev) v3.pdf,	07/30/2013 By: Heather Gulla
4	Exhibit 1 for Group SUPP Rate Filing	GC-SUPP-SHOP-13-CO, SCH2-SUPP-PPOHIGH-SHOP-CO, SCH4-SUPP-PPLOW-SHOP-CO	New		Actuarial Memo HCR - CO (Supp Group)(Rev) v3.pdf,	07/30/2013 By: Heather Gulla

Response 2**Comments:**

All exhibits have been updated to include Plan ID's.

Related Objection 2

Applies To:

- Exhibit 1 for CO Group EHB Rate Filing, [GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPLOW-SHOP-CO] (Rate)
- Exhibit 1 for Group SUPP Rate Filing, [GC-SUPP-SHOP-13-CO, SCH2-SUPP-PPOHIGH-SHOP-CO, SCH4-SUPP-PPLOW-SHOP-CO] (Rate)

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Comments: These exhibits do not clearly state associated plan IDs, and because of this we cannot map out rates for the following plan IDs 35897CO0120001,130001,140001. Please include plan IDs to these exhibits so we can appropriately match rates to plans.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments:

Please see the updated Act Memo for the Supplemental plans to include a description of how we derived the age banded rates (as opposed to the 8-tier rates we filed previously).

Related Objection 3

Applies To:

- Exhibit 2, [GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPOLOW-SHOP-CO] (Rate)

Comments: Please include all plan build up as you did for EHB High Plan and EHB Low Plan. Please include plan IDs so we can map out these exhibits to the rate data template.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Heather Gulla

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/29/2013
Submitted Date	07/29/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

We have revised our expense allocation to reflect a 2.0% Premium Tax for CO.

Components of Retention % Premium

Sales / Commissions 9.0%

Administration 14.6%

Premium Tax 2.0%

ACA Health Insurer Fee 4.0%

Exchange Fee 1.4%

Profit 4.0%

Aggregate 35.0%

Related Objection 1

Applies To:

- Actuarial Material (Supporting Document)

Comments: Please clarify your use of a 2.7% premium tax retention load. The Colorado State Premium tax is 2.0%.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Heather Gulla

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/30/2013
Submitted Date	07/30/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

Please see the revised Actuarial Memoranda and Exhibits attached under our obj response of 7-30.

Related Objection 1

Applies To:

- Exhibit 1 for CO Group EHB Rate Filing, [GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPLOW-SHOP-CO] (Rate)

Comments: Please correct the rate manual for Mineral county. Mineral county should be in region 8.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Heather Gulla

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Response Letter

Response Letter Status Submitted to State
Response Letter Date 07/26/2013
Submitted Date 07/26/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

The forms list has been included on the Form Schedule tab.

Related Objection 1

Comments: The Form Schedule tab in SERFF must be completed for ALL Rate filings and for ALL Form filings. Do not submit actual forms in Rate filings. Forms are not to be remitted in Form filings unless the forms are for long-term care policies, stop-loss policies, or Medicare Supplement policies.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

Revised Actuarial Memoranda were submitted a few moments ago in a separate response.

Related Objection 2

Applies To:

- Actuarial Material (Supporting Document)

Comments: Regulation 4-2-11 Section 6 (A) (4): Please provide the following: 4. Premium classification: The section should state all attributes upon which the premium rates vary.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments:

Revised Actuarial Memoranda were submitted a few moments ago in a separate response.

Related Objection 3

Applies To:

- Actuarial Material (Supporting Document)

Comments: Regulation 4-2-11 Section 6 (A) (6) Please provide the following information: 6. Policy/Rider form: A listing of all policy/rider forms impacted by the filing (for standardized Medicare supplement, the plans should be identified).

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments:

Revised Actuarial Memoranda were submitted a few moments ago in a separate response.

Related Objection 4

Applies To:

- Actuarial Material (Supporting Document)

Comments: Regulation 4-2-11 Section 6 (A) (7) Please provide the following information: 7. Age basis: A statement as to whether the premiums will be charged on an issue age, attained age, renewal age or other basis and the issue age range of the form should be specified.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 5

Comments:

Revised Actuarial Memoranda were submitted a few moments ago in a separate response.

Related Objection 5

Applies To:

- Actuarial Material (Supporting Document)

Comments: Regulation 4-2-11 Section 6 (P) Please provide the following information: Benefits Ratio Projections: The memorandum must contain a section projecting the benefits ratio, over the rating period, with the requested rate change. The comparison should be shown in chart form; with projected premiums, projected incurred claims and projected benefits ratio over the rating period, with the requested rate change. The corresponding projection calculations should also be included. For products priced using a lifetime loss ratio standard, such as long-term care, Medicare supplement and long term disability, the projections should include a timeframe as to when the lifetime loss ratio will be achieved.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Heather Gulla

SERFF Tracking #: GARD-129106322 State Tracking #: 279809

Company Tracking #: 0146GUA01-03

State: Colorado Filing Company: The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Response Letter

Response Letter Status Submitted to State
Response Letter Date 07/26/2013
Submitted Date 07/26/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

Attached please find revised Actuarial Memos.

Related Objection 1

Comments: For plans to be sold on the Exchange, multi tier rating will not be allowed. Only single individual rates can be used. Please correct your rating manual in the rate filing and rate data template to comply with this requirement.

Family Structure: Each member of the household will be charged a separate rate. One exception is that only the three oldest dependents under the age of 21 will be charged a premium. Four tier rating structures will NOT be supported via C4HCO.

Please see http://www.connectforhealthco.com/wpfb-file/20130604_connect-for-health-colorado-qdp-certification-application-instructions-pdf/

Changed Items:

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Material
Comments:	Attached supporting actuarial documentation.
Attachment(s):	Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf Exhibit 2 for CO Group EHB Rate Filing.pdf Actuarial Memo HCR - CO (EHB Group)(Rev) v2.pdf Actuarial Memo HCR - CO _Supp Group__Rev_ v2.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Material</i>
Comments:	<i>Attached supporting actuarial documentation.</i>
Attachment(s):	<i>Actuarial Memo HCR - CO (EHB Group)(Rev).pdf Actuarial Memo HCR - CO (Supp Group)(Rev).pdf Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf Exhibit 2 for CO Group EHB Rate Filing.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Material</i>
Comments:	<i>Attached supporting actuarial documentation.</i>
Attachment(s):	<i>CO Actuarial Memo HCR - CO (EHB Group).pdf CO Actuarial Memo HCR - CO (Supp Group).pdf CO Exhibit 1 for CO Group EHB Rate Filing.pdf CO Exhibit 1 for CO Group Supp Rate Filing.pdf</i>

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Form Schedule Item Changes

Item No.	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	Policy Form	GP-1-SHOP-13-CO	POL	Initial				Date Submitted: 07/26/2013 By: Heather Gulla
2	Pediatric Dental Certificate	GC-EHB-SHOP-13-CO	CER	Initial				Date Submitted: 07/26/2013 By: Heather Gulla
3	Supplement Dental Certificate	GC-SUPP-SHOP-13-CO	CER	Initial				Date Submitted: 07/26/2013 By: Heather Gulla
4	Schedule of Benefits	SCH1-EHB-PPOHIGH-SHOP-CO	SCH	Initial				Date Submitted: 07/26/2013 By: Heather Gulla
5	Schedule of Benefits	SCH2-EHB-PPOLOW-SHOP-CO	SCH	Initial				Date Submitted: 07/26/2013 By: Heather Gulla
6	Schedule of Benefits	SCH1-SUPP-PPOHIGHORTH-SHOP-CO	SCH	Initial				Date Submitted: 07/26/2013 By: Heather Gulla
7	Schedule of Benefits	SCH2-SUPP-PPOHIGH-SHOP-CO	SCH	Initial				Date Submitted: 07/26/2013 By: Heather Gulla
8	Schedule of Benefits	SCH3-SUPP-PPOLOWORTH-SHOP-CO	SCH	Initial				Date Submitted: 07/26/2013 By: Heather Gulla

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Form Schedule Item Changes

Item No.	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	Policy Form	GP-1-SHOP-13-CO	POL	Initial				Date Submitted: 07/26/2013 By: Heather Gulla
9	Schedule of Benefits	SCH4-SUPP-PPOLW-SHOP-CO	SCH	Initial				Date Submitted: 07/26/2013 By: Heather Gulla
10	Schedule of Premium Rates	GP-1-SPR-SHOP-13-CO	SCH	Initial				Date Submitted: 07/26/2013 By: Heather Gulla

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Heather Gulla

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Response Letter

Response Letter Status Submitted to State
Response Letter Date 07/22/2013
Submitted Date 07/22/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

In accordance with our meeting we have revised the Actuarial Material which was attached under the rate response submitted a few moments ago.

Please note, we are still reviewing the comments submitted under the 7/18/13 rate objection.

Related Objection 1

Applies To:

- Actuarial Material (Supporting Document)

Comments: The Division objects to the lack of support included in this filing for all rating factors, lack of projection calculation demonstrating how expected claims and premiums for the new rating period are developed.

This filing is grossly inadequate. Please see my Note to Filer requesting a meeting for July 16th to discuss.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Heather Gulla

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State:

Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health - Dental

Product Name:

Group Dental PPO

Project Name/Number:

Group Dental Products Project/0146GUA01-03

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/22/2013
Submitted Date	07/22/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

A revised Actuarial Memorandum has been attached for each Plan.

Related Objection 1

Applies To:

- Actuarial Material (Supporting Document)

Comments: Your company's Actuarial Memorandum is not compliant with the current version of Colorado Regulation 4-2-11. EVERY item in Section 6 MUST be discussed. Also, it is now a requirement that the Actuarial Memorandum items MUST be presented in the order in which it is demonstrated in the regulation. Please review the current version of Colorado Regulation 4-2-11, found on our website, prior to submitting.

Changed Items:

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State:

Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health - Dental

Product Name:

Group Dental PPO

Project Name/Number:

Group Dental Products Project/0146GUA01-03

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Material
Comments:	Attached supporting actuarial documentation.
Attachment(s):	Actuarial Memo HCR - CO (EHB Group)(Rev).pdf Actuarial Memo HCR - CO (Supp Group)(Rev).pdf Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf Exhibit 2 for CO Group EHB Rate Filing.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Material</i>
Comments:	<i>Attached supporting actuarial documentation.</i>
Attachment(s):	<i>CO Actuarial Memo HCR - CO (EHB Group).pdf CO Actuarial Memo HCR - CO (Supp Group).pdf CO Exhibit 1 for CO Group EHB Rate Filing.pdf CO Exhibit 1 for CO Group Supp Rate Filing.pdf</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

The form schedule tab has been updated.

Related Objection 2

Comments: The Form Schedule tab in SERFF must be completed for ALL Rate filings and for ALL Form filings. Do not submit actual forms in Rate filings. Forms are not to be remitted in Form filings unless the forms are for long-term care policies, stop-loss policies, or Medicare Supplement policies.

Changed Items:

No Supporting Documents changed.

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments:

Acknowledged; however, the lead form number is GP-1-SHOP-13-CO and I am not aware of a change to this form number.

Related Objection 3

Comments: Once a filing has been submitted, the Lead Form Number cannot be changed. For future filings, please ensure that the Lead Form Number field has been completed. For more information and guidance on how to update the form schedule tab, please contact the SERFF help desk.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments:

The rating manual has been attached to the rate schedule tab.

Related Objection 4

Comments: Please attach the rating manual to the rate / rule schedule tab.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State:

Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health - Dental

Product Name:

Group Dental PPO

Project Name/Number:

Group Dental Products Project/0146GUA01-03

Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Exhibit 1 for CO Group EHB Rate Filing	GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPLOW-SHOP-CO	New		Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf,	07/22/2013 By: Heather Gulla
<i>Previous Version</i>						
1	<i>Exhibit 1 for CO Group EHB Rate Filing</i>	<i>GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPLOW-SHOP-CO</i>	<i>New</i>		<i>CO Exhibit 1 for CO Group EHB Rate Filing.pdf,</i>	<i>07/05/2013 By: Jeff Kulesus</i>
2	Exhibit 1 for Group SUPP Rate Filing	GC-SUPP-SHOP-13-CO, SCH2-SUPP-PPOHIGH-SHOP-CO, SCH4-SUPP-PPLOW-SHOP-CO	New		Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf,	07/22/2013 By: Heather Gulla
<i>Previous Version</i>						
2	<i>Exhibit 1 for Group SUPP Rate Filing</i>	<i>GC-SUPP-SHOP-13-CO, SCH2-SUPP-PPOHIGH-SHOP-CO, SCH4-SUPP-PPLOW-SHOP-CO</i>	<i>New</i>		<i>CO Exhibit 1 for CO Group Supp Rate Filing.pdf,</i>	<i>07/05/2013 By: Jeff Kulesus</i>

State: Colorado Filing Company: The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Rate/Rule Schedule Item Changes					
3	Exhibit 2	GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPLOW-SHOP-CO	New		Exhibit 2 for CO Group EHB Rate Filing.pdf, 07/22/2013 By: Heather Gulla

Conclusion:

Sincerely,
Heather Gulla

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State: Colorado

Filing Company: The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Amendment Letter

Submitted Date: 08/02/2013

Comments:

Per your instructions, we have attached the DHMO act. memos. to this filing. We will then withdraw the DHMO rate filing.

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	DHMO act. memos.
Comments:	
Attachment(s):	CO DHMO Actuarial Memorandum EHB (revised 8-1-13).pdf CO DHMO Actuarial Memorandum U10 Family plan (revised 8-1-13).pdf CO DHMO Actuarial Memorandum U20 Family plan (revised 8-1-13).pdf CO DHMO Actuarial Memorandum U30 Family plan (revised 8-1-13).pdf

SERFF Tracking #: GARD-129106322 State Tracking #: 279809

Company Tracking #: 0146GUA01-03

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Amendment Letter

Submitted Date: 08/01/2013

Comments:

The Actuarial Memoranda have been updated to reflect the 2.0% Premium Tax in CO.

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State:

Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health - Dental

Product Name:

Group Dental PPO

Project Name/Number:

Group Dental Products Project/0146GUA01-03

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Material
Comments:	Attached supporting actuarial documentation.
Attachment(s):	Actuarial Memo HCR - CO (EHB Group)(Rev) v4.pdf Actuarial Memo HCR - CO (Supp Group)(Rev) v4.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Material</i>
Comments:	<i>Attached supporting actuarial documentation.</i>
Attachment(s):	<i>Actuarial Memo HCR - CO (EHB Group)(Rev) v3.pdf Actuarial Memo HCR - CO (Supp Group)(Rev) v3.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Material</i>
Comments:	<i>Attached supporting actuarial documentation.</i>
Attachment(s):	
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Material</i>
Comments:	<i>Attached supporting actuarial documentation.</i>
Attachment(s):	<i>Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf Exhibit 2 for CO Group EHB Rate Filing.pdf Actuarial Memo HCR - CO (EHB Group)(Rev) v2.pdf Actuarial Memo HCR - CO _Supp Group__ Rev_ v2.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Material</i>
Comments:	<i>Attached supporting actuarial documentation.</i>

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Attachment(s):	<i>Actuarial Memo HCR - CO (EHB Group)(Rev).pdf</i> <i>Actuarial Memo HCR - CO (Supp Group)(Rev).pdf</i> <i>Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf</i> <i>Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf</i> <i>Exhibit 2 for CO Group EHB Rate Filing.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Material</i>
Comments:	<i>Attached supporting actuarial documentation.</i>
Attachment(s):	<i>CO Actuarial Memo HCR - CO (EHB Group).pdf</i> <i>CO Actuarial Memo HCR - CO (Supp Group).pdf</i> <i>CO Exhibit 1 for CO Group EHB Rate Filing.pdf</i> <i>CO Exhibit 1 for CO Group Supp Rate Filing.pdf</i>

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Note To Filer

Created By:

Nichole Boggess on 08/09/2013 01:15 PM

Last Edited By:

Nichole Boggess

Submitted On:

08/09/2013 01:15 PM

Subject:

Disposition Letter

Comments:

Revised disposition letter sent.

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Note To Reviewer

Created By:

Heather Gulla on 08/01/2013 06:39 AM

Last Edited By:

Nichole Boggess

Submitted On:

08/03/2013 05:51 PM

Subject:

7-31-13 Note asking for DHMO Rates to be attached to this filing.

Comments:

Michael,

Thank you for your Note to Filer, please note that the DHMO rates are undergoing review through SERFF Tracking Number GARD-129138868, as this filing has a TOI Tyle that is specific to PPO and the forms associated with this filing and the form filing that corresponds with this filing is specific to PPO. If this is not an issue and you would stil llike us to attach those forms here, please send me a note confirming and we will attach them at once and withdraw GARD-129138868. Thank you.

Heather

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Note To Filer

Created By:

Michael Muldoon on 07/31/2013 09:24 PM

Last Edited By:

Nichole Boggess

Submitted On:

08/03/2013 05:51 PM

Subject:

Attached Your DHMO rates and justification, needed these included in this rate filing for justification for these plans.

Comments:

Attached Your DHMO rates and justification, needed these included in this rate filing for justification for these plans contained in the Rate Data Template and Plans & benefit Template.

Should move to the Rate tab.

ACTUARIAL MEMORANDUM

This memorandum will describe the methodology used to calculate the new Child Only Pre-Paid Dental rates as described in the enclosed pages.

Plan Description

Policy Form GP-1-MDG-EHB-ECO1-13, certificate CGP-3-MDG-EHB-ECO1-13 and policy form GP-1-MDG-EHB-ECO2-13, certificate CGP-3-MDG-EHB-ECO2-13 provide Group Pediatric Dental Essential Health Expense coverage for dependent children under the age of 19. These will be referred to as the EHB Low and EHB High plans, respectively.

Scope & Purpose

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Child Only Pediatric Dental Standalone policies effective January 1, 2014. This is a new filing. The Pre-Paid Dental rates set forth in this filing will be used in all geographical regions in approved service areas within the state of Colorado. The rate calculation for our new plans follows the basic format of our previously approved rate Pre-Paid Dental calculation. This memorandum will describe the assumptions used in pricing the enclosed Pre-Paid Dental rate calculation for Managed DentalGuard issued by Guardian Life Insurance Company of America. As these rates are being developed for new contracts, there is no premium history, prior experience or loss ratios to report.

Benefit Description

This policy form provides Group Pre-Paid Dental coverage for children under the age of 19 referred to as EHB High and EHB Low. Benefits are provided on a capitated basis, and are only available if an insured receives treatment from a participating network dental provider. Upon payment of a \$5 office visit copay, insureds receive benefits at a discount off dental providers usual and reasonable customary charges in the form of patient copay charges. In order for benefits to be covered for specialty care, insureds must receive a referral in advance from their primary care dentist. These plans are also subject to an Out-of-Pocket maximum of \$700 for one child enrollee and \$1,400 for two or more child enrollees.

Dental Rating Methodology

Line 1A - Capitation Starting Rates were designed to provide each participating dentist in our network with a total hourly compensation level that approximates a discount off their typical gross earning. Expected hourly compensation is assumed to be lower for children than for adults because of the lower cost of treating children.

Total hourly compensation includes dentists' earnings from a combination of capitation payments and patient charges. Hourly compensation earned through patient charges is evaluated using two sources:

- 1) Utilization data supported by our own claims experience and corroborated by dental consultants: and
- 2) Time value Units – the length of time required to perform each dental procedure. Available from industry consultants.

Hourly rates for each patient charge schedule are ascertained and then the capitation rate is set to make up for the shortfall between this rate and our target hourly compensation. Any future plan designs we introduce will be priced in the same manner.

Line 1C - Capitation Trend Factor is the expected annual cap trend. Line 1C multiplies the capitation rates by the factor listed in Line 1C.

Line 2A – Supplemental Payment Starting Rates are expected additional amounts paid to the dentists on a child basis.

Line 2B – Supplemental Trend Factor multiplies the child supplemental rates by the factor listed in Line 2B.

Line 3A - Specialty Starting Rates contains the expected costs of paying all specialty claims other than orthodontia. Claim costs are based on discounted fee schedule amounts from our leased network of specialists throughout the state. Utilization estimates are based on the aggregate specialty claims experience for children, and were reviewed by our dental director.

Line 3B – Specialty Trend multiplies the child specialty rates by the factor in Line 3B.

Line 3C adds the Capitation, Supplemental and Specialty rates from lines 1C, 2B and 3B.

Line 4A – Adjustment for OOP Maximum – This coverage includes an Out-of-Pocket maximum benefit which pays 100% of the covered services after the insured child has reached \$700 of out-of-pocket claims costs (\$1,400 for 2 or more enrolled children). We account for this additional cost in two ways. First, we assume that 0.9% of children require Medically necessary orthodontia treatment in a given year. These children will incur out of pocket costs of \$700 for Orthodontia so all other network claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out-of-pocket expenses for non-medically necessary Orthodontia treatments. Using a consultant's claim continuance curve, we estimated the cost of the benefits above the threshold.

Final Rates

Line 3C and 4A are added together to determine the overall Child Only Claims costs. The overall cost is then divided by a TLR assumption of 60% in order to produce the per child premium rates for the EHB High and EHB Low plan.

On November 20, 2012, CMS published CMS Form Number: CMS-10433: Initial Plan Data Collection to Support QHP Certification and other Financial Management and Exchange Operations. A part of the collection of this data will be in the form of templates intended to create a nationwide standard of plan- and issuer-level data collection for the use of QHP certification, exchange operations, and oversight activities. In order to complete the rates template for Stand-Alone Dental Products, we are required to enter an individual per Child rate that would be multiplied by the number of children, capping at three for employees with three or more children. In order to avoid deficiency in our rates for groups with three or more children, we are applying an adjustment of 1.05 to our individual per Child rate submitted in the rates template. The per child premium rates for the EHB High and EHB Low plans are shown below:

EHB High: \$23.44 per Covered Child
EHB Low: \$10.83 per Covered Child

Actuarial Value

The actuarial values of the EHB High and EHB Low plans are 83.0% and 70.0%, respectively.

ACTUARIAL CERTIFICATION

I, Lisa E. Knoble, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This filing is in compliance with Actuarial Standard of Practice No. 8 “Regulatory Filings for Rates and Financial Projections for Health Plans” as adopted by the Actuarial Standards Board and all applicable laws and regulations of the State of Colorado. The benefits are reasonable in relation to the premiums charged, and the rates are not unfairly discriminatory.

I respectfully request that this actuarial memorandum and accompanying rate manual be treated as confidential and proprietary to the extent permissible by Colorado law.

Lisa Knoble

Lisa Knoble, ASA, MAAA
Actuarial Pricing Manager
Group Products
Guardian Life Insurance Company of America

6/5/13
Date

Rate Calculation

Line 1A CAPITATION STARTING RATES

	<u>EHB Low</u>	<u>EHB High</u>
Child	\$2.46	\$7.72

Line 1C CAPITATION TREND FACTOR
Multiply Line 1A rates by a factor of 1.00

Line 2A SUPPLEMENTAL STARTING RATES

	<u>EHB Low</u>	<u>EHB High</u>
Child	\$1.12	\$1.12

Line 2B SUPPLEMENTAL TREND FACTOR
Multiply child supplemental starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.06)^{(X-1)}$

Line 3A SPECIALTY STARTING RATES

	<u>EHB Low</u>	<u>EHB High</u>
Child	\$0.51	\$2.61

Line 3B SPECIALTY TREND
Multiply child specialty starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.08)^{(X-1)}$

Line 3C Add Lines 1C + 2B + 3B

Line 4A ADJUSTMENT for OOP MAXIMUM
Add the applicable amount below to line 3C.

	<u>EHB Low</u>	<u>EHB High</u>
Child	\$2.10	\$1.94

Line 7 LOSS RATIO
Divide each rate from Line 4A by 0.60 to get the final rates.

SHOP Tier Adjustment – Multiply rates by 1.05.

ACTUARIAL MEMORANDUM

This memorandum will describe the methodology used to calculate the new Family Plan Pre-Paid Dental rates as described in the enclosed pages.

Plan Description

Policy Form GP-1-MDG-GRO-U10COG-13, certificate CGP-3-MDG-GRO-U10COG-13 provides Group dental expense coverage for covered persons and their dependents. It is based on our currently approved U10 plan and incorporates the Pediatric Dental Essential Health Benefits as determined by Colorado.

Scope & Purpose

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Family Plan Dental Standalone policies effective January 1, 2014. This is a new filing. The Pre-Paid Dental rates set forth in this filing will be used in all geographical regions in approved service areas within the state of Colorado. The rate calculation for our new plans follows the basic format of our previously approved rate Pre-Paid Dental calculation. This memorandum will describe the assumptions used in pricing the enclosed Pre-Paid Dental rate calculation for Managed DentalGuard issued by Guardian Life Insurance Company of America. As these rates are being developed for new contracts, there is no premium history, prior experience or loss ratios to report.

Benefit Description

This policy form provides Group Pre-Paid Dental coverage for covered persons and their dependents. It is based on our currently approved U10 plan and incorporates the Pediatric Dental Essential Health Benefits as determined by Colorado. Benefits are provided on a capitated basis, and are only available if an insured receives treatment from a participating network dental provider. Upon payment of a \$5 office visit copay, insureds receive benefits at a discount off dental providers usual and reasonable customary charges in the form of patient copay charges. In order for benefits to be covered for specialty care, insureds must receive a referral in advance from their primary care dentist. This plan also includes coverage for the Pediatric Dental Essential Health Benefits as determined by Colorado which include copays that meet the actuarial value ranges prescribed by law, covers medically necessary orthodontia and includes an Out-of-Pocket maximum of \$700 for one child enrollee under the age of 19 and \$1,400 for two or more child enrollees under the age of 19.

Dental Rating Methodology

Line 1A - Capitation Starting Rates were designed to provide each participating dentist in our network with a total hourly compensation level that approximates a discount off their typical gross earning. Expected hourly compensation is assumed to be lower for children than for adults because of the lower cost of treating children.

Total hourly compensation includes dentists' earnings from a combination of capitation payments and patient charges. Hourly compensation earned through patient charges is evaluated using two sources:

- 1) Utilization data supported by our own claims experience and corroborated by dental consultants: and
- 2) Time value Units – the length of time required to perform each dental procedure. Available from industry consultants.

Hourly rates for each patient charge schedule are ascertained and then the capitation rate is set to make up for the shortfall between this rate and our target hourly compensation. Any future plan designs we introduce will be priced in the same manner.

Line 1Ai – methodology for converting cap rate to a tier based system. Methodology based on stated distribution of Adult/child as well as tier enrollment.

Line 1Aii – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 1C - Capitation Trend Factor is the expected annual cap trend. Line 1C multiplies the adult and child capitation rates by the factor listed in Line 1C.

Line 2A – Supplemental Payment Starting Rates are expected additional amounts paid to the dentists on an adult and child basis.

Line 2Ai – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 2B – Supplemental Trend Factor multiplies the adult and child supplemental rates by the factor listed in Line 2B.

Line 3A - Specialty Starting Rates contains the expected costs of paying all specialty claims other than orthodontia. Claim costs are based on discounted fee schedule amounts from our leased network of specialists throughout the state. Utilization estimates are based on the aggregate specialty claims experience for adults and children, and were reviewed by our dental director.

Line 3Ai – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 3B – Specialty Trend multiplies the adult and child specialty rates by the factor in Line 3B.

Line 3C adds the Capitation, Supplemental and Specialty rates from lines 1C, 2B and 3B.

Line 4 – Orthodontia – Orthodontia starting rates represents the costs of orthodontia claims on optional orthodontia benefits. The Family plan has an orthodontia benefit with a patient charge equal to the discounted fee arranged with our participating orthodontists.

Line 4A – Adjustment for OOP Maximum – This plan includes coverage for the Pediatric Dental component of Essential Health Benefits and has an Out-of-Pocket maximum benefit which pays 100% of the covered services after the insured child under age 19 has reached \$700 in out-of-pocket claims costs (\$1,400 for 2 or more enrolled children). We account for this additional cost in two ways. First, we assume that 0.9% of children require Medically necessary orthodontia treatment in a given year. These children will incur out of pocket costs of \$700 for Orthodontia so all other network claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out-of-pocket expenses for non-medically necessary Orthodontia treatments. Using a consultant’s claim continuance curve, we estimated the cost of the benefits above the threshold.

Final Rates

The overall costs from Line 4A are divided by a TLR assumption of 60% in order to produce the Final rates for the Family plan shown below:

Employee	\$11.86
Employee + Spouse	\$23.69
Employee + Child(ren)	\$36.94
Employee + Spouse + Child(ren)	\$61.32

Actuarial Value

The actuarial value of the Pediatric Dental Essential Health benefit in this plan for children under age 19 is 70.0%.

ACTUARIAL CERTIFICATION

I, Lisa E. Knoble, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This filing is in compliance with Actuarial Standard of Practice No. 8 “Regulatory Filings for Rates and Financial Projections for Health Plans” as adopted by the Actuarial Standards Board and all applicable laws and regulations of the State of Colorado. The benefits are reasonable in relation to the premiums charged, and the rates are not unfairly discriminatory.

I respectfully request that this actuarial memorandum and accompanying rate manual be treated as confidential and proprietary to the extent permissible by Colorado law.

Lisa Knoble

Lisa Knoble, ASA, MAAA
Actuarial Pricing Manager
Group Products
Guardian Life Insurance Company of America

6/5/13
Date

Rate Calculation

Line 1A CAPITATION STARTING RATES

	<u>Family Option</u>
Adult Cap rate	\$4.38
Child Cap rate	\$3.28

Line 1Ai Methodology for converting cap to tier base

		<u>Adults</u>	<u>Children</u>
EE	55%	1	0
EE/SP	15%	2	0
EE/CH	10%	1	2.00
FAM	20%	2	3.00

Line 1Aii RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$4.38
Employee + Spouse	\$8.76
Employee + Child(ren)	\$10.95
Employee + Spouse + Child(ren)	\$18.61

Line 1C CAPITATION TREND FACTOR
Multiply all Line 1Aii tier rates by a factor of 1.00

Line 2A SUPPLEMENTAL STARTING RATES

	<u>Family Option</u>
Adult Cap rate	\$1.12
Child Cap rate	\$1.12

Line 2Ai SUPPLEMENTAL RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$1.12
Employee + Spouse	\$2.25
Employee + Child(ren)	\$3.37
Employee + Spouse + Child(ren)	\$5.62

Line 2B SUPPLEMENTAL TREND FACTOR
Multiply all Line 2Ai supplemental starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.06)^{(X-1)}$

Line 3A SPECIALTY STARTING RATES

	<u>Family Option</u>
Adult	\$1.61
Child	\$1.03

Line 3Ai SPECIALTY RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$1.61
Employee + Spouse	\$3.21
Employee + Child(ren)	\$3.65
Employee + Spouse + Child(ren)	\$6.28

Line 3B SPECIALTY TREND

Multiply al Line 3Ai specialty starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.08)^{(X-1)}$

Line 3C Add Lines 1C + 2B + 3B

Line 4 ORTHODONITA RATES

Add orthodontia rate to the appropriate tier in Line 3C.

	<u>Rate</u>
Employee	\$0.00
Employee + Spouse	\$0.00
Employee + Child(ren)	\$0.00
Employee + Spouse + Child(ren)	\$0.00

Line 4A ADJUSTMENT for OOP MAXIMUM

Add the OOP maximum adjustment below to the appropriate tier in Line 4.

	<u>Rate</u>
Employee	\$0.00
Employee + Spouse	\$0.00
Employee + Child(ren)	\$4.19
Employee + Spouse + Child(ren)	\$6.29

Line 7 LOSS RATIO

Divide each rate from Line 4A by 0.60 to get the final rates.

ACTUARIAL MEMORANDUM

This memorandum will describe the methodology used to calculate the new Family Plan Pre-Paid Dental rates as described in the enclosed pages.

Plan Description

Policy Form GP-1-MDG-GRO-OFF-CO-13, certificate CGP-3-MDG-GRO-OFF-CO-13 provides Group dental expense coverage for covered persons and their dependents. It is based on our currently approved U20 plan and incorporates the Pediatric Dental Essential Health Benefits as determined by Colorado.

Scope & Purpose

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Family Plan Dental Standalone policies effective January 1, 2014. This is a new filing. The Pre-Paid Dental rates set forth in this filing will be used in all geographical regions in approved service areas within the state of Colorado. The rate calculation for our new plans follows the basic format of our previously approved rate Pre-Paid Dental calculation. This memorandum will describe the assumptions used in pricing the enclosed Pre-Paid Dental rate calculation for Managed DentalGuard issued by Guardian Life Insurance Company of America. As these rates are being developed for new contracts, there is no premium history, prior experience or loss ratios to report.

Benefit Description

This policy form provides Group Pre-Paid Dental coverage for covered persons and their dependents. It is based on our currently approved U20 plan and incorporates the Pediatric Dental Essential Health Benefits as determined by Colorado. Benefits are provided on a capitated basis, and are only available if an insured receives treatment from a participating network dental provider. Upon payment of a \$5 office visit copay, insureds receive benefits at a discount off dental providers usual and reasonable customary charges in the form of patient copay charges. In order for benefits to be covered for specialty care, insureds must receive a referral in advance from their primary care dentist. This plan also includes coverage for the Pediatric Dental Essential Health Benefits as determined by Colorado which include copays that meet the actuarial value ranges prescribed by law, covers medically necessary orthodontia and includes an Out-of-Pocket maximum of \$700 for one child enrollee under the age of 19 and \$1,400 for two or more child enrollees under the age of 19.

Dental Rating Methodology

Line 1A - Capitation Starting Rates were designed to provide each participating dentist in our network with a total hourly compensation level that approximates a discount off their typical gross earning. Expected hourly compensation is assumed to be lower for children than for adults because of the lower cost of treating children.

Total hourly compensation includes dentists' earnings from a combination of capitation payments and patient charges. Hourly compensation earned through patient charges is evaluated using two sources:

- 1) Utilization data supported by our own claims experience and corroborated by dental consultants: and
- 2) Time value Units – the length of time required to perform each dental procedure. Available from industry consultants.

Hourly rates for each patient charge schedule are ascertained and then the capitation rate is set to make up for the shortfall between this rate and our target hourly compensation. Any future plan designs we introduce will be priced in the same manner.

Line 1Ai – methodology for converting cap rate to a tier based system. Methodology based on stated distribution of Adult/child as well as tier enrollment.

Line 1Aii – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 1C - Capitation Trend Factor is the expected annual cap trend. Line 1C multiplies the adult and child capitation rates by the factor listed in Line 1C.

Line 2A – Supplemental Payment Starting Rates are expected additional amounts paid to the dentists on an adult and child basis.

Line 2Ai – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 2B – Supplemental Trend Factor multiplies the adult and child supplemental rates by the factor listed in Line 2B.

Line 3A - Specialty Starting Rates contains the expected costs of paying all specialty claims other than orthodontia. Claim costs are based on discounted fee schedule amounts from our leased network of specialists throughout the state. Utilization estimates are based on the aggregate specialty claims experience for adults and children, and were reviewed by our dental director.

Line 3Ai – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 3B – Specialty Trend multiplies the adult and child specialty rates by the factor in Line 3B.

Line 3C adds the Capitation, Supplemental and Specialty rates from lines 1C, 2B and 3B.

Line 4 – Orthodontia – Orthodontia starting rates represents the costs of orthodontia claims on optional orthodontia benefits. The Family plan has an orthodontia benefit with a patient charge equal to the discounted fee arranged with our participating orthodontists.

Line 4A – Adjustment for OOP Maximum – This plan includes coverage for the Pediatric Dental component of Essential Health Benefits and has an Out-of-Pocket maximum benefit which pays 100% of the covered services after the insured child under age 19 has reached \$700 in out-of-pocket claims costs (\$1,400 for 2 or more enrolled children). We account for this additional cost in two ways. First, we assume that 0.9% of children require Medically necessary orthodontia treatment in a given year. These children will incur out of pocket costs of \$700 for Orthodontia so all other network claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out-of-pocket expenses for non-medically necessary Orthodontia treatments. Using a consultant’s claim continuance curve, we estimated the cost of the benefits above the threshold.

Final Rates

The overall costs from Line 4A are divided by a TLR assumption of 60% in order to produce the Final rates for the Family plan shown below:

Employee	\$16.49
Employee + Spouse	\$32.97
Employee + Child(ren)	\$47.83
Employee + Spouse + Child(ren)	\$79.98

Actuarial Value

The actuarial value of the Pediatric Dental Essential Health benefit in this plan for children under age 19 is 70.0%.

ACTUARIAL CERTIFICATION

I, Lisa E. Knoble, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This filing is in compliance with Actuarial Standard of Practice No. 8 “Regulatory Filings for Rates and Financial Projections for Health Plans” as adopted by the Actuarial Standards Board and all applicable laws and regulations of the State of Colorado. The benefits are reasonable in relation to the premiums charged, and the rates are not unfairly discriminatory.

I respectfully request that this actuarial memorandum and accompanying rate manual be treated as confidential and proprietary to the extent permissible by Colorado law.

Lisa Knoble

Lisa Knoble, ASA, MAAA
Actuarial Pricing Manager
Group Products
Guardian Life Insurance Company of America

6/5/13
Date

Rate Calculation

Line 1A CAPITATION STARTING RATES

	<u>Family Option</u>
Adult Cap rate	\$6.28
Child Cap rate	\$4.71

Line 1Ai Methodology for converting cap to tier base

		<u>Adults</u>	<u>Children</u>
EE	55%	1	0
EE/SP	15%	2	0
EE/CH	10%	1	2.00
FAM	20%	2	3.00

Line 1Aii RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$6.28
Employee + Spouse	\$12.56
Employee + Child(ren)	\$15.70
Employee + Spouse + Child(ren)	\$26.69

Line 1C CAPITATION TREND FACTOR
Multiply all Line 1Aii tier rates by a factor of 1.00

Line 2A SUPPLEMENTAL STARTING RATES

	<u>Family Option</u>
Adult Cap rate	\$1.35
Child Cap rate	\$1.35

Line 2Ai SUPPLEMENTAL RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$1.35
Employee + Spouse	\$2.70
Employee + Child(ren)	\$4.04
Employee + Spouse + Child(ren)	\$6.74

Line 2B SUPPLEMENTAL TREND FACTOR
Multiply all Line 2Ai supplemental starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.06)^{(X-1)}$

Line 3A SPECIALTY STARTING RATES

	<u>Family Option</u>
Adult	\$2.26
Child	\$1.25

Line 3Ai SPECIALTY RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$2.26
Employee + Spouse	\$4.53
Employee + Child(ren)	\$4.76
Employee + Spouse + Child(ren)	\$8.27

Line 3B SPECIALTY TREND

Multiply al Line 3Ai specialty starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.08)^{(X-1)}$

Line 3C Add Lines 1C + 2B + 3B

Line 4 ORTHODONITA RATES

Add orthodontia rate to the appropriate tier in Line 3C.

	<u>Rate</u>
Employee	\$0.00
Employee + Spouse	\$0.00
Employee + Child(ren)	\$0.00
Employee + Spouse + Child(ren)	\$0.00

Line 4A ADJUSTMENT for OOP MAXIMUM

Add the OOP maximum adjustment below to the appropriate tier in Line 4.

	<u>Rate</u>
Employee	\$0.00
Employee + Spouse	\$0.00
Employee + Child(ren)	\$4.19
Employee + Spouse + Child(ren)	\$6.29

Line 7 LOSS RATIO

Divide each rate from Line 4A by 0.60 to get the final rates.

ACTUARIAL MEMORANDUM

This memorandum will describe the methodology used to calculate the new Family Plan Pre-Paid Dental rates as described in the enclosed pages.

Plan Description

Policy Form GP-1-MDG-GRO-OFF-CO-13, certificate CGP-3-MDG-GRO-OFF-CO-13 provides Group dental expense coverage for covered persons and their dependents. It is based on our currently approved U30 plan and incorporates the Pediatric Dental Essential Health Benefits as determined by Colorado.

Scope & Purpose

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Family Plan Dental Standalone policies effective January 1, 2014. This is a new filing. The Pre-Paid Dental rates set forth in this filing will be used in all geographical regions in approved service areas within the state of Colorado. The rate calculation for our new plans follows the basic format of our previously approved rate Pre-Paid Dental calculation. This memorandum will describe the assumptions used in pricing the enclosed Pre-Paid Dental rate calculation for Managed DentalGuard issued by Guardian Life Insurance Company of America. As these rates are being developed for new contracts, there is no premium history, prior experience or loss ratios to report.

Benefit Description

This policy form provides Group Pre-Paid Dental coverage for covered persons and their dependents. It is based on our currently approved U30 plan and incorporates the Pediatric Dental Essential Health Benefits as determined by Colorado. Benefits are provided on a capitated basis, and are only available if an insured receives treatment from a participating network dental provider. Upon payment of a \$5 office visit copay, insureds receive benefits at a discount off dental providers usual and reasonable customary charges in the form of patient copay charges. In order for benefits to be covered for specialty care, insureds must receive a referral in advance from their primary care dentist. This plan also includes coverage for the Pediatric Dental Essential Health Benefits as determined by Colorado which include copays that meet the actuarial value ranges prescribed by law, covers medically necessary orthodontia and includes an Out-of-Pocket maximum of \$700 for one child enrollee under the age of 19 and \$1,400 for two or more child enrollees under the age of 19.

Dental Rating Methodology

Line 1A - Capitation Starting Rates were designed to provide each participating dentist in our network with a total hourly compensation level that approximates a discount off their typical gross earning. Expected hourly compensation is assumed to be lower for children than for adults because of the lower cost of treating children.

Total hourly compensation includes dentists' earnings from a combination of capitation payments and patient charges. Hourly compensation earned through patient charges is evaluated using two sources:

- 1) Utilization data supported by our own claims experience and corroborated by dental consultants: and
- 2) Time value Units – the length of time required to perform each dental procedure. Available from industry consultants.

Hourly rates for each patient charge schedule are ascertained and then the capitation rate is set to make up for the shortfall between this rate and our target hourly compensation. Any future plan designs we introduce will be priced in the same manner.

Line 1Ai – methodology for converting cap rate to a tier based system. Methodology based on stated distribution of Adult/child as well as tier enrollment.

Line 1Aii – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 1C - Capitation Trend Factor is the expected annual cap trend. Line 1C multiplies the adult and child capitation rates by the factor listed in Line 1C.

Line 2A – Supplemental Payment Starting Rates are expected additional amounts paid to the dentists on an adult and child basis.

Line 2Ai – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 2B – Supplemental Trend Factor multiplies the adult and child supplemental rates by the factor listed in Line 2B.

Line 3A - Specialty Starting Rates contains the expected costs of paying all specialty claims other than orthodontia. Claim costs are based on discounted fee schedule amounts from our leased network of specialists throughout the state. Utilization estimates are based on the aggregate specialty claims experience for adults and children, and were reviewed by our dental director.

Line 3Ai – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 3B – Specialty Trend multiplies the adult and child specialty rates by the factor in Line 3B.

Line 3C adds the Capitation, Supplemental and Specialty rates from lines 1C, 2B and 3B.

Line 4 – Orthodontia – Orthodontia starting rates represents the costs of orthodontia claims on optional orthodontia benefits. The Family plan has an orthodontia benefit with a patient charge equal to the discounted fee arranged with our participating orthodontists.

Line 4A – Adjustment for OOP Maximum – This plan includes coverage for the Pediatric Dental component of Essential Health Benefits and has an Out-of-Pocket maximum benefit which pays 100% of the covered services after the insured child under age 19 has reached \$700 in out-of-pocket claims costs (\$1,400 for 2 or more enrolled children). We account for this additional cost in two ways. First, we assume that 0.9% of children require Medically necessary orthodontia treatment in a given year. These children will incur out of pocket costs of \$700 for Orthodontia so all other network claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out-of-pocket expenses for non-medically necessary Orthodontia treatments. Using a consultant’s claim continuance curve, we estimated the cost of the benefits above the threshold.

Final Rates

The overall costs from Line 4A are divided by a TLR assumption of 60% in order to produce the Final rates for the Family plan shown below:

Employee	\$20.30
Employee + Spouse	\$40.61
Employee + Child(ren)	\$58.29
Employee + Spouse + Child(ren)	\$97.58

Actuarial Value

The actuarial value of the Pediatric Dental Essential Health benefit in this plan for children under age 19 is 70.0%.

ACTUARIAL CERTIFICATION

I, Lisa E. Knoble, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This filing is in compliance with Actuarial Standard of Practice No. 8 “Regulatory Filings for Rates and Financial Projections for Health Plans” as adopted by the Actuarial Standards Board and all applicable laws and regulations of the State of Colorado. The benefits are reasonable in relation to the premiums charged, and the rates are not unfairly discriminatory.

I respectfully request that this actuarial memorandum and accompanying rate manual be treated as confidential and proprietary to the extent permissible by Colorado law.

Lisa Knoble

Lisa Knoble, ASA, MAAA
Actuarial Pricing Manager
Group Products
Guardian Life Insurance Company of America

6/5/13
Date

Rate Calculation

Line 1A CAPITATION STARTING RATES

	<u>Family Option</u>
Adult Cap rate	\$7.91
Child Cap rate	\$5.94

Line 1Ai Methodology for converting cap to tier base

		<u>Adults</u>	<u>Children</u>
EE	55%	1	0
EE/SP	15%	2	0
EE/CH	10%	1	2.00
FAM	20%	2	3.00

Line 1Aii RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$7.91
Employee + Spouse	\$15.83
Employee + Child(ren)	\$19.78
Employee + Spouse + Child(ren)	\$33.63

Line 1C CAPITATION TREND FACTOR
Multiply all Line 1Aii tier rates by a factor of 1.00

Line 2A SUPPLEMENTAL STARTING RATES

	<u>Family Option</u>
Adult Cap rate	\$2.13
Child Cap rate	\$2.13

Line 2Ai SUPPLEMENTAL RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$2.13
Employee + Spouse	\$4.27
Employee + Child(ren)	\$6.40
Employee + Spouse + Child(ren)	\$10.67

Line 2B SUPPLEMENTAL TREND FACTOR
Multiply all Line 2Ai supplemental starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.06)^{(X-1)}$

Line 3A SPECIALTY STARTING RATES

	<u>Family Option</u>
Adult	\$2.13
Child	\$1.22

Line 3Ai SPECIALTY RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$2.13
Employee + Spouse	\$4.27
Employee + Child(ren)	\$4.60
Employee + Spouse + Child(ren)	\$7.95

Line 3B SPECIALTY TREND

Multiply al Line 3Ai specialty starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.08)^{(X-1)}$

Line 3C Add Lines 1C + 2B + 3B

Line 4 ORTHODONITA RATES

Add orthodontia rate to the appropriate tier in Line 3C.

	<u>Rate</u>
Employee	\$0.00
Employee + Spouse	\$0.00
Employee + Child(ren)	\$0.00
Employee + Spouse + Child(ren)	\$0.00

Line 4A ADJUSTMENT for OOP MAXIMUM

Add the OOP maximum adjustment below to the appropriate tier in Line 4.

	<u>Rate</u>
Employee	\$0.00
Employee + Spouse	\$0.00
Employee + Child(ren)	\$4.19
Employee + Spouse + Child(ren)	\$6.29

Line 7 LOSS RATIO

Divide each rate from Line 4A by 0.60 to get the final rates.

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Note To Reviewer

Created By:

Heather Gulla on 07/26/2013 04:20 PM

Last Edited By:

Nichole Boggess

Submitted On:

08/03/2013 05:51 PM

Subject:

Cathy Gilliland Objection 7/26/2013

Comments:

This objection tells us to put Mineral county in Region 8.

We had originally place Mineral County in Region, but during our conference call with the Department last Wednesday, we were advised to put it in Region 10. Could you please confirm what area it should be in? Thank you!

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Note To Reviewer

Created By:

Heather Gulla on 07/24/2013 11:11 AM

Last Edited By:

Nichole Boggess

Submitted On:

08/03/2013 05:51 PM

Subject:

Outstanding Objections

Comments:

We have two outstanding objections as of today, July 24th. The objection dated 7-18 is due today 7-24 and the objection received 7-24 is due for response by 7-26. We are respectfully requesting that we be allowed to respond to both objections simultaneously on 7-26. Please advise. Thank you in advance for your consideration.

Heather

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Note To Filer

Created By:

Rachel Plummer on 07/18/2013 07:14 PM

Last Edited By:

Nichole Boggess

Submitted On:

08/03/2013 05:51 PM

Subject:

Mineral County Clarification

Comments:

Per our phone call today, I would like to clarify that Mineral county is in Rating Area 8, not 10.

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Note To Filer

Created By:

Nichole Boggess on 07/17/2013 12:19 PM

Last Edited By:

Nichole Boggess

Submitted On:

08/03/2013 05:51 PM

Subject:

Extension approved

Comments:

Extension has been approved to 7/22/13

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Note To Reviewer

Created By:

Heather Gulla on 07/16/2013 07:39 AM

Last Edited By:

Nichole Boggess

Submitted On:

08/03/2013 05:51 PM

Subject:

Objection Response Due Dates

Comments:

The objection received 7-11 has a response due date of 7-18 and the objection received 7-14 has a response due date of today 7-16. Please note, we have a meeting scheduled for tomorrow 7-17 to discuss the deficiencies of the filing and therefore would like to extend our response until after our 7-17 meeting. Once the issues are discussed we will know better how quickly we can turn this around and provide any necessary information. We are hopeful we can discuss the response due dates at the end of the meeting tomorrow. Thank you for your consideration.

Heather

State: Colorado **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Note To Filer

Created By:

Michael Muldoon on 07/14/2013 05:12 AM

Last Edited By:

Nichole Boggess

Submitted On:

08/03/2013 05:51 PM

Subject:

Requesting a Phone Conference to Discuss Inadequate Actuarial Memorandum Support for Rating Factors

Comments:

I have sent a request to Cathy Gilliland and Nichole Boggess in the Colorado DORA office to set up a phone conference with you for Tuesday July 16th to discuss the lack of support for rating factors in this filing, and any other outstanding rate binder issues.

Please contact Cathy and Nicky for any questions regarding this meeting request.

Thank You,

Michael Muldoon
ASA, MAAA, FCA
DoonWorx Health Solutions
Colorado DORA Rate Review

State: Colorado
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
Product Name: Group Dental PPO
Project Name/Number: Group Dental Products Project/0146GUA01-03

Filing Company: The Guardian Life Insurance Company of America

Form Schedule

Lead Form Number:

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		Policy Form	GP-1-SHOP-13-CO	POL	Initial			
2		Pediatric Dental Certificate	GC-EHB-SHOP-13-CO	CER	Initial			
3		Supplement Dental Certificate	GC-SUPP-SHOP-13-CO	CER	Initial			
4		Schedule of Benefits	SCH1-EHB-PPOHIGH-SHOP-CO	SCH	Initial			
5		Schedule of Benefits	SCH2-EHB-PPLOW-SHOP-CO	SCH	Initial			
6		Schedule of Benefits	SCH1-SUPP-PPOHIGHORTH-SHOP-CO	SCH	Initial			
7		Schedule of Benefits	SCH2-SUPP-PPOHIGH-SHOP-CO	SCH	Initial			

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Lead Form Number:

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
8		Schedule of Benefits	SCH3-SUPP-PPLOWO RTH-SHOP-CO	SCH	Initial			
9		Schedule of Benefits	SCH4-SUPP-PPLOW-SHOP-CO	SCH	Initial			
10		Schedule of Premium Rates	GP-1-SPR-SHOP-13-CO	SCH	Initial			

Form Type Legend:

ADV	Advertising	AEF	Application/Enrollment Form
CER	Certificate	CERA	Certificate Amendment, Insert Page, Endorsement or Rider
DDP	Data/Declaration Pages	FND	Funding Agreement (Annuity, Individual and Group)
MTX	Matrix	NOC	Notice of Coverage
OTH	Other	OUT	Outline of Coverage
PJK	Policy Jacket	POL	Policy/Contract/Fraternal Certificate
POLA	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	SCH	Schedule Pages

State: Colorado Filing Company: The Guardian Life Insurance Company of America
 TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental
 Product Name: Group Dental PPO
 Project Name/Number: Group Dental Products Project/0146GUA01-03

Rate Information

Rate data applies to filing.

Filing Method: SERFF
 Rate Change Type: Neutral
 Overall Percentage of Last Rate Revision: %
 Effective Date of Last Rate Revision: 01/01/2014
 Filing Method of Last Filing: N/A

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
The Guardian Life Insurance Company of America	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Exhibit 1 for CO Group EHB Rate Filing	GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPLOW-SHOP-CO	New		Exhibit 1 for CO Group EHB Rate Filing(Rev) v2.pdf,
2		Exhibit 1 for Group SUPP Rate Filing	GC-SUPP-SHOP-13-CO, SCH2-SUPP-PPOHIGH-SHOP-CO, SCH4-SUPP-PPLOW-SHOP-CO	New		Exhibit 1 for CO Group Supp Rate Filing(Rev) v2.pdf,
3		Exhibit 2	GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPLOW-SHOP-CO	New		Exhibit 2 for CO Group EHB Rate Filing.pdf,
4		Exhibit 1 for CO Group EHB Rate Filing	GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-EHB-PPLOW-SHOP-CO	New		
5		Exhibit 1 for Group SUPP Rate Filing	GC-SUPP-SHOP-13-CO, SCH2-SUPP-PPOHIGH-SHOP-CO, SCH4-SUPP-PPLOW-SHOP-CO	New		

Colorado SHOP Exchange Plan Designs

EHB (age 18 and under)

	EHB High Plan		EHB Low Plan	
	INN	OON	INN	OON
Diagnostic & Preventive	100%	80%	90%	0%
Basic Services	80%	60%	70%	0%
Major Services	50%	30%	40%	0%
Ortho (Med Nec)	50%	30%	50%	0%
Reimbursement Basis	Fee Sched	Fee Sched	Fee Sched	Fee Sched
Deductible	\$0	\$50 NWP	\$100 WP	N/A
Annual Maximum	N/A	N/A	N/A	N/A
Annual OOP Maximum	\$700	N/A	\$700	N/A
Ortho Lifetime Maximum	N/A	N/A	N/A	N/A
Waiting Periods	None	None	None	None
Actuarial Value	85.7%		71.0%	

Colorado SHOP Exchange

EHB Dental Rates per Child, Effective Dates 1/1/2014-3/31/2015 35897CO0080001 35897CO0090001

		PPO High	PPO Low
Region 1	Boulder	\$ 34.38	\$ 27.83
Region 2	El Paso, Teller	\$ 34.29	\$ 27.76
Region 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park	\$ 33.72	\$ 27.32
Region 4	Larimer	\$ 32.29	\$ 26.18
Region 5	Mesa	\$ 32.03	\$ 25.97
Region 6	Weld	\$ 32.29	\$ 26.18
Region 7	Pueblo	\$ 32.03	\$ 25.97
Region 8	Baca, Bent, Cheyenne, Crowley, Custer, Fremont, Huefano, Kiowa, Kit Carson, Las Animas, Lincoln, Otero, Prowers, Alamosa, Chaffee, Conejos, Costilla, Rio Grande,	\$ 33.18	\$ 26.90
Region 9	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma	\$ 32.03	\$ 25.97
Region 10	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake, Mineral, Moffat, Montezuma, Montrose, Ouray, Rio	\$ 32.24	\$ 26.14
Region 11	Eagle, Garfield, Pitkin, Summit	\$ 32.08	\$ 26.01

Colorado Exchange Plan Designs

Supplemental Plans

	High Plan w/o Ortho	
	INN	OON
Diagnostic & Preventive	100%	80%
Basic Services	80%	60%
Major Services	50%	30%
Cosmetic Ortho (Child)	N/A	N/A
Reimbursement Basis	Fee Sched	Fee Sched
Deductible	0	\$50 NWP
Ortho Lifetime Max	N/A	N/A
Waiting Periods (Major & Ortho)	12-month	12-month
Included EHB Design (for <19)	High Plan	

Low Plan w/o Ortho	
INN	OON
90%	0%
70%	0%
40%	0%
N/A	N/A
Fee Sched	Fee Sched
\$100 WP	N/A
N/A	N/A
12-month	12-month
Low Plan	

High Plan with Ortho	
INN	OON
100%	80%
80%	60%
50%	30%
50%	30%
Fee Sched	Fee Sched
0	\$50 NWP
\$1,500	\$1,500
12-month	12-month
High Plan	

Low Plan with Ortho	
INN	OON
90%	0%
70%	0%
40%	0%
50%	0%
Fee Sched	Fee Sched
\$100 WP	N/A
\$1,000	N/A
12-month	12-month
Low Plan	

Monthly Premium Rates for Colorado SHOP Exchange

Region 1	Boulder
Region 2	El Paso, Teller
Region 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park
Region 4	Larimer
Region 5	Mesa
Region 6	Weld
Region 7	Pueblo
Region 8	Baca, Bent, Cheyenne, Crowley, Custer, Fremont, Huefano, Kiowa, Kit Carson, Las Animas, Lincoln, Otero, Prowers, Alamosa, Chaffee, Conejos, Costilla, Rio Grande, Saguache
Region 9	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma
Region 10	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake, Mineral, Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt, San Juan, San Miguel
Region 11	Eagle, Garfield, Pitkin, Summit

PMPM Rates (maximum 3 Children)

	35897CO0050001 High Plan w/o Ortho	35897CO0040001 High Plan with Ortho	35897CO0070001 Low Plan w/o Ortho	35897CO0060001 Low Plan with Ortho
Rating Area 1				
Ages <19	\$34.38	\$39.66	\$27.83	\$31.35
Ages 19 and Older	\$31.02	\$31.02	\$23.09	\$23.09
Rating Area 2				
Ages <19	\$34.29	\$39.55	\$27.76	\$31.27
Ages 19 and Older	\$30.93	\$30.93	\$23.03	\$23.03
Rating Area 3				
Ages <19	\$33.72	\$38.94	\$27.32	\$30.80
Ages 19 and Older	\$30.40	\$30.40	\$22.63	\$22.63
Rating Area 4				
Ages <19	\$32.29	\$37.36	\$26.18	\$29.56
Ages 19 and Older	\$29.01	\$29.01	\$21.59	\$21.59
Rating Area 5				
Ages <19	\$32.03	\$37.07	\$25.97	\$29.33
Ages 19 and Older	\$28.74	\$28.74	\$21.40	\$21.40

Rating Area 6				
Ages <19	\$32.29	\$37.36	\$26.18	\$29.56
Ages 19 and Older	\$29.01	\$29.01	\$21.59	\$21.59
Rating Area 7				
Ages <19	\$32.03	\$37.07	\$25.97	\$29.33
Ages 19 and Older	\$28.74	\$28.74	\$21.40	\$21.40
Rating Area 8				
Ages <19	\$33.18	\$38.42	\$26.90	\$30.39
Ages 19 and Older	\$29.89	\$29.89	\$22.25	\$22.25
Rating Area 9				
Ages <19	\$32.03	\$37.07	\$25.97	\$29.33
Ages 19 and Older	\$28.74	\$28.74	\$21.40	\$21.40
Rating Area 10				
Ages <19	\$32.24	\$37.32	\$26.14	\$29.53
Ages 19 and Older	\$28.96	\$28.96	\$21.56	\$21.56
Rating Area 11				
Ages <19	\$32.08	\$37.13	\$26.01	\$29.38
Ages 19 and Older	\$28.79	\$28.79	\$21.44	\$21.44

Exhibit 2: Derivation of EHB, Colorado

EHB High Plan	1	2	3	4	5	6	7	8	9	10	11
Starting Claim Cost	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15
Trend Adjustment	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73
Area Adjustment	\$291.95	\$291.10	\$286.09	\$272.98	\$270.50	\$272.98	\$270.50	\$281.29	\$270.50	\$272.56	\$270.97
Network Adjustment	\$246.28	\$245.57	\$241.34	\$230.28	\$228.19	\$230.28	\$228.19	\$237.29	\$228.19	\$229.93	\$228.58
Unlimited Max Adj	\$254.00	\$253.19	\$248.37	\$236.06	\$233.80	\$236.06	\$233.80	\$243.75	\$233.80	\$235.68	\$234.22
Deductible Adjustment	\$243.42	\$242.61	\$237.79	\$225.48	\$223.22	\$225.48	\$223.22	\$233.17	\$223.22	\$225.10	\$223.64
Coinsurance Adjustment	\$195.57	\$194.91	\$191.01	\$181.08	\$179.26	\$181.08	\$179.26	\$187.27	\$179.26	\$180.77	\$179.60
OOP Max Adjustment	\$196.79	\$196.12	\$192.17	\$182.13	\$180.29	\$182.13	\$180.29	\$188.40	\$180.29	\$181.82	\$180.63
Med Nec Ortho	\$240.94	\$240.27	\$236.33	\$226.28	\$224.44	\$226.28	\$224.44	\$232.55	\$224.44	\$225.97	\$224.78
Morbidity Adjustment	\$255.40	\$254.69	\$250.51	\$239.86	\$237.91	\$239.86	\$237.91	\$246.50	\$237.91	\$239.53	\$238.27
Expense Adjustment	\$392.92	\$391.83	\$385.40	\$369.01	\$366.01	\$369.01	\$366.01	\$379.24	\$366.01	\$368.51	\$366.57
Exchange Tier Adjustment	\$412.57	\$411.42	\$404.67	\$387.46	\$384.31	\$387.46	\$384.31	\$398.20	\$384.31	\$386.94	\$384.90
Monthly Rate	\$34.38	\$34.29	\$33.72	\$32.29	\$32.03	\$32.29	\$32.03	\$33.18	\$32.03	\$32.24	\$32.08

EHB Low Plan	1	2	3	4	5	6	7	8	9	10	11
Starting Claim Cost	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15
Trend Adjustment	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73
Area Adjustment	\$291.95	\$291.10	\$286.09	\$272.98	\$270.50	\$272.98	\$270.50	\$281.29	\$270.50	\$272.56	\$270.97
Network Adjustment	\$253.13	\$252.39	\$248.05	\$236.68	\$234.53	\$236.68	\$234.53	\$243.89	\$234.53	\$236.32	\$234.94
Unlimited Max Adj	\$257.91	\$257.13	\$252.54	\$240.53	\$238.26	\$240.53	\$238.26	\$248.14	\$238.26	\$240.15	\$238.69
Deductible Adjustment	\$236.87	\$236.09	\$231.50	\$219.49	\$217.22	\$219.49	\$217.22	\$227.10	\$217.22	\$219.11	\$217.65
Coinsurance Adjustment	\$146.28	\$145.80	\$142.93	\$135.41	\$133.99	\$135.41	\$133.99	\$140.17	\$133.99	\$135.17	\$134.26
OOP Max Adjustment	\$150.88	\$150.37	\$147.31	\$139.32	\$137.81	\$139.32	\$137.81	\$144.39	\$137.81	\$139.07	\$138.09
Med Nec Ortho	\$195.04	\$194.52	\$191.47	\$183.47	\$181.97	\$183.47	\$181.97	\$188.54	\$181.97	\$183.22	\$182.25
Morbidity Adjustment	\$206.74	\$206.19	\$202.96	\$194.48	\$192.88	\$194.48	\$192.88	\$199.85	\$192.88	\$194.22	\$193.18
Expense Adjustment	\$318.06	\$317.22	\$312.24	\$299.20	\$296.74	\$299.20	\$296.74	\$307.47	\$296.74	\$298.79	\$297.20
Exchange Tier Adjustment	\$333.97	\$333.08	\$327.85	\$314.16	\$311.58	\$314.16	\$311.58	\$322.84	\$311.58	\$313.73	\$312.06
Monthly Rate	\$27.83	\$27.76	\$27.32	\$26.18	\$25.97	\$26.18	\$25.97	\$26.90	\$25.97	\$26.14	\$26.01

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State:

Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health - Dental

Product Name:

Group Dental PPO

Project Name/Number:

Group Dental Products Project/0146GUA01-03

Supporting Document Schedules

Satisfied - Item:	HR-1 Form (H)
Comments:	HR-1 Form
Attachment(s):	CO HR-1 Form.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Material
Comments:	Attached supporting actuarial documentation.
Attachment(s):	Actuarial Memo HCR - CO (EHB Group)(Rev) v4.pdf Actuarial Memo HCR - CO (Supp Group)(Rev) v4.pdf
Item Status:	
Status Date:	

Satisfied - Item:	DHMO act. memos.
Comments:	
Attachment(s):	CO DHMO Actuarial Memorandum EHB (revised 8-1-13).pdf CO DHMO Actuarial Memorandum U10 Family plan (revised 8-1-13).pdf CO DHMO Actuarial Memorandum U20 Family plan (revised 8-1-13).pdf CO DHMO Actuarial Memorandum U30 Family plan (revised 8-1-13).pdf
Item Status:	
Status Date:	

State Of Colorado
Health Rate Filing Form

Reset Form

Form HR-1

Must Be Completed For All Products		SERFF FILING # GARD-129106322	
1. Company: The Guardian Life Insurance Company of America			
2. Person Responsible For Filing: Heather Bleamer		3. Title: Sr. State Filing Analyst	
4. Address Of Responsible Person: 3900 Burgess Place		5. Telephone #: (610) 807-7676 ext.	
6. Email Address: heather_gulla@glic.com			
7. Type Of Coverage: PPO Other : Group Dental Insurance Plan			
8. Medicare Supplement: N/A		Not Applicable <input checked="" type="checkbox"/>	
(1) Prestandardized Plan(s):			
(2) Standardized Plan(s): <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> FHD <input type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I <input type="checkbox"/> J <input type="checkbox"/> JHD <input type="checkbox"/> K <input type="checkbox"/> L			
(3) 2010 Plans: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> F <input type="checkbox"/> FHD <input type="checkbox"/> G <input type="checkbox"/> K <input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> N			
9. Sub Category: Small Group (1-50)			
10. A. Group Information: Employer Employer Employer Employer			
B. Name of association or trust (if applicable): N/A			
C. Description of discretionary group(if applicable): N/A			
11. Colorado State Code(s): N/A		N/A	
N/A	N/A	N/A	N/A
12. Brief Filing Description (Disability, Major Medical, LTC, Etc. Also Describe All Methodology Changes.): SHOP group dental plan rates			
13. Reason For Filing:			
Increase In Benefits?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Reduction In Benefits?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Increase in Profits?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Change Needed To Meet Projected Losses?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Trend Only?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Change In Rating Methodology?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
New Product (Initial Offering As Opposed To Rate Revision)?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Other?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(If other, please explain)			
14. Policy Form(s) Affected: GC-EHB-SHOP-13-CO, SCH1-EHB-PPOHIGH-SHOP-CO, SCH2-I			

15. If Rider Or Endorsement, Type Of Benefits? N/A		
16. Closed Block(s)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date Block Closed:		
17. Number Of Colorado Covered Lives (Including Employees And Dependents):		
18. A. Rating Period: Annual From To		<input checked="" type="checkbox"/> N/A (New Product)
B. Experience Period: From To		
C. Reason for Rate Change:		
D. Average Change In Rates From One Year Prior To Effective Date:		
19. A. Rate Change Without Trend:		
B. Trend for Rating Period (if trend factor is used in rates):		
C. Overall Rate Impact Change:		
20. A. Current Underlying Annualized Trend Assumption (If Applicable):		
B. Requested Underlying <i>Annualized</i> Trend Assumption (If Applicable):		
21. A. What Is The Maximum Rate Change That Can Affect A Policyholder?		
B. What Is The Minimum Rate Change That Can Affect A Policyholder?		
<i>(If the selected rate change differs from the indicated rate change, please fully detail in the actuarial memorandum in section 6K.)</i>		
Benefits Ratios (On Colorado only basis)		
22. A. Targeted Benefits Ratio over Rating Period (assumed in calculation of rates):		
B. Actual Benefits Ratio over Experience Period:		<input checked="" type="checkbox"/> N/A (New Product)
23. A. Projected Benefits Ratio With Rate Change over Rating Period	<input type="checkbox"/> Colorado <input type="checkbox"/> Colorado/Nationwide <input type="checkbox"/> Nationwide Basis	<input checked="" type="checkbox"/> N/A (New Product)
B. Projected Benefits Ratio Without Rate Change over Rating Period		
<i>(If projected benefits ratios on a Colorado only basis are not available, then ratios developed on a blended Colorado/Nationwide or Nationwide basis are acceptable. Please indicate above.)</i>		
24. Proposed Effective Date:		
25. A. Total Annual Colorado Written Premium Before Change(s): \$		<input checked="" type="checkbox"/> N/A (New Product)
B. Total Annual Colorado Written Premium After Change(s): \$		
C. Written Premium Change For This Product (Net Change): \$		
26. A. Effective Date of Previous Rate Filing for this Form (including initial filing):		
B. Previous SERFF Filing Number(s):		
C. Overall Percentage of Last Rate Change for Affected Policy Forms:		
27. Experience Provided: <input type="checkbox"/> Nationwide <input type="checkbox"/> Colorado Select One <input type="checkbox"/> other (specify)		
28. Small Group Filings Only: Unique Single Index Rate (Effective For All Small Group Plans):		

Actuarial Memorandum

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Child Only policies effective January 1, 2014. The development of these rates is intended to maintain consistency with our Group Dental rate manual. As these rates are being developed for new contracts, there is no premium history, prior experience, or loss ratios to report.

The majority of rating factors and pricing assumptions used in determining our proposed rates are consistent with those currently used for Group business in the state of Colorado. Our Group Dental rates in Colorado are updated on a quarterly basis and submitted to the state of Colorado as part of our state rate filing.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

The premium rates for these plans vary by geography and plan design.

The forms associated with this filing are as follows:

- GC-EHB-SHOP-13-CO
- SCH1-EHB-PPOHIGH-SHOP-CO
- SCH2-EHB-PPLOW-SHOP-CO

These policies will be guaranteed renewable.

The benefits in these policies are only available to members under the age of 19. There is no limit to the issue age range and the premiums will be charged on an attained age basis.

Please see the attached Exhibit 1 (EHB) for the description of benefits.

B. Assumption or Acquisition

The products included in this rate filing were not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2014 to 12/31/2014.

D. Effect of Law Changes

This filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

E. Rate History

As this filing is applicable to new products, there is no rate history. However, attached is a rate history of our Group Dental manual rates for both Colorado and Nationwide since August 2009.

Colorado

SERFF Tracking Number	Effective Date	Minimum Change	Average Change	Maximum Change	Cumulative for past 12 Months
GARD-126236921	8/1/2009	1.20%	1.20%	1.20%	3.65%
GARD-126325845	11/1/2009	-0.30%	-0.30%	-0.30%	2.01%
GARD-126436583	1/1/2010	1.90%	1.90%	1.90%	3.53%
GARD-126587002	6/15/2010	3.50%	3.50%	3.50%	6.41%
GARD-126804616	12/1/2010	-0.53%	-0.53%	-0.53%	6.48%
GARD-127010132	4/1/2011	-1.97%	-1.97%	-1.97%	3.97%
GARD-128050999	4/1/2012	-12.16%	-2.53%	8.04%	1.92%
GARD-128529058	9/1/2012	-4.36%	-0.65%	3.42%	-0.24%
GARD-128709700	12/1/2012	-8.09%	-0.20%	15.45%	-1.91%
GARD-128829387	3/1/2013	-0.35%	1.25%	3.23%	-2.15%
GARD-128956658	6/1/2013	-2.66%	0.00%	3.62%	0.39%

Nationwide

Effective Date	Average Change	Cumulative for past 12 Months
1/1/2011	0.40%	4.41%
4/1/2011	0.65%	2.93%
7/1/2011	0.76%	2.99%
9/1/2011	-0.10%	1.72%
1/1/2012	1.00%	2.33%
4/1/2012	1.53%	3.22%
7/1/2012	1.12%	3.59%
10/1/2012	-0.20%	3.49%
1/1/2013	1.25%	3.74%
4/1/2013	0.00%	2.18%

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

These plans were priced with an expected loss ratio of 65%. The remaining 35% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

Components of Retention	% Premium
Sales / Commissions	9.0%
Administration	14.0%
Premium Tax	2.0%
ACA Health Insurer Fee	2.6%
Exchange Fee	1.4%
Federal Income Tax	3.0%
Profit	3.0%
Aggregate	35.0%

H. Provision for Profit and Contingencies

Guardian's profit margin is 3.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

Starting Claims Cost – The average 2011 Child Only claims cost per procedure (excluding Ortho) was used to develop starting claim costs for a 100/80/50 Dental plan and an Annual Maximum of \$1,300. This plan design represents the average amount of coverage for our nationwide in-force Group Dental block of business.

Existing claim costs by service code were adjusted to align with the services covered under policy form GC-EHB-SHOP-13-CO. This resulted in a starting claim cost by service category (excluding Ortho).

These nationwide starting claim costs were adjusted for trend and rating region as follows.

Trend Adjustment – Since 2011 claims data was used for the pricing analysis, the starting claims cost per Child net of coinsurance was trended by 1.5% for two years (retrospective trend) plus 5% annually for one year for a total of 8%.

Area Adjustments – We adjust for expected cost and utilization differences by region using the area factors included in our filed Group Rating Manual. Colorado defined 11 rating regions as shown in the supporting exhibit. Using our Group Rate Manual, we calculated the ratio of the area factor for each CO rating region to the nationwide average area factor. The resulting relationship factors are as follows:

Region	1	2	3	4	5	6	7	8	9	10	11
Area Factor	1.051	1.048	1.030	0.983	0.974	0.983	0.974	1.013	0.974	0.981	0.976

The methodology for determining Area Factors in our Group Rate Manual is as follows. We analyze experience by rating area. Claims are pro-rated such that the overall effect of the area factor changes will be close to rate neutral. Areas where the theoretical change in premium is more than 2% are candidates for a change in area factor. In general, the actual change made is about half the theoretical change, adjusting rates gradually over time rather than potentially over-compensating.

This result was then multiplied by the annual number of procedures per child for each service category. This allowed us to convert starting claims cost per procedure to starting claims cost per Child for each service category.

Network Adjustment – Our network discount assumptions from our currently filed Group PPO Factors were used to adjust for discounts on in-network claims. Out-of-network claims will be reimbursed at the in-network fee schedule for policy form GC-EHB-SHOP-13-CO.

Unlimited Max Adjustment – We are estimating that an unlimited maximum on Child Only Dental claims is worth a load of 2.5% vs. an annual maximum of \$1,300. This load was applied to the claims cost per Child. This load was based on a consultant’s claim continuance table.

Deductible Adjustment – The expected cost reduction of the deductible was priced at 26% of the deductible amount when waived for preventive services. When the deductible was not waived for preventive services, the expected cost reduction was priced at 66% of the deductible amount. These percentages assume that 26% of covered children receive Basic or Major services and 66% receive any Dental service in a given year. It also assumes the deductible will be less than any allowable charge.

Coinsurance Adjustments – Our currently filed Group coinsurance adjustment factors, which vary by service category, were applied to the resulting claims cost per Child for each service category. These coinsurance adjustment factors account for both cost and utilization.

Out-of-Pocket Maximum – This coverage includes an Out-of-Pocket maximum benefit which pays 100% of in network covered services after the insured child has reached \$700 of in-network out of pocket claim costs. We account for this additional cost in two ways. First, we assume that 1.8% of children are under Medically Necessary Orthodontia treatment in any given year. These children will incur out of pocket costs of \$700 for Orthodontia so all in network non-Orthodontia claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out of pocket expenses for non-Orthodontia treatments. Using a consultant’s claim

continuance curve, we estimated the cost of the benefits above the threshold. Both of these extra costs were added to the claim costs for each service category.

In-Network Utilization – Our in-network utilization assumptions from our currently filed Group PPO Factors were used to blend the in-network and out-of-network net Child claims costs.

Ortho Rating Methodology

In-Network Starting Claims Cost – We expect the charge for medically necessary orthodontia treatment to be in line with our 36-month fee schedule reimbursement schedule.

We estimate that 0.90% of covered Children will require a medically necessary Orthodontia treatment. This is based on a 3% assumption of Children having an orthodontia claim coupled with a 30% assumption of orthodontia treatments expected to be medically necessary.

Network Adjustment – We assumed that our orthodontia fee schedule was discounted 25% vs. out-of-network orthodontia charges.

Out-of-Network Starting Claims Cost – The network adjustment was backed out of the In-Network Starting Claims Cost to derive the Out-of-Network Starting Claims Cost.

Coinsurance Adjustments – For the PPO High and PPO Low plans, an adjustment of 50% was applied to the in-network starting claims cost and an adjustment of 30% was applied to out-of-network claims costs.

OOP Max Adjustment – The average in-network orthodontia charge was split into 8 quarterly payments to calculate Guardian's expected payment net of the annual out-of-pocket maximum.

In-Network Utilization – Our in-network utilization assumption for pediatric orthodontia coverage was assumed to be 95%. This was used to blend the in-network claim costs net of coinsurance and the out-of-pocket maximum with the out-of-network starting claim costs.

Other Adjustments

On November 20, 2012, CMS published CMS Form Number: CMS-10433: Initial Plan Data Collection to Support QHP Certification and other Financial Management and Exchange Operations. A part of the collection of this data will be in the form of templates intended to create a nationwide standard of plan- and issuer-level data collection for the use of QHP certification, exchange operations, and oversight activities.

Three or More Children:

In order to complete the rates template for Stand-Alone Dental Products, we are required to enter an individual per Child rate that would be multiplied by the number of children, capping at three for employees with three or more children.

In order to avoid deficiency in our rates for groups with three or more children, we are applying an adjustment of 1.05 to our individual per Child rate submitted in the rates template.

Final Rates

The net Dental and Orthodontia claims costs are added together to determine the overall Child Only claims cost. We are estimating average morbidity will be similar to what we assume for a 25 life group. The overall cost is then divided by a TLR assumption of 65% in order to produce the premium rates for the PPO High and PPO Low plans. Please refer to Exhibit I for the plan designs and premium rates. The actuarial values of the PPO High and PPO Low plans are 85.4% and 68.8%, respectively.

We are also filing our current nationwide quarterly dental trend factor of 1.25%, which is intended to keep premium rates from lagging behind anticipated increases in dental claims costs. This quarterly rate increase will impact premium rates only on policyholder anniversaries.

Rate Development Exhibit

Exhibit 2 contains a derivation of each region's premium rate demonstrating the impact of the adjustments described above.

J. Trend

The annual trend assumption utilized in pricing is 5.0%. This reflects our best estimate of our long term claim cost trend.

K. Credibility

The Guardian's Colorado business meets the Colorado standard for full credibility. We have over 2,000 life years for each of the last 3 years.

L. Data Requirements

Since this is a filing of a new product, no prior history is available. However, attached below is a demonstration of Guardian's Group Dental block for groups with under 50 employees for both Colorado and nationwide.

Colorado (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	360	\$4,076,736	\$2,685,396	65.9%	5,149
2011	340	\$3,890,407	\$2,487,158	63.9%	4,583
2012	336	\$3,835,956	\$2,372,161	61.8%	4,413

Nationwide (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	49,376	\$511,462,063	\$327,411,762	64.0%	618,547
2011	49,734	\$517,199,782	\$325,462,794	62.9%	614,126
2012	50,537	\$528,171,678	\$328,482,103	62.2%	620,707

M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Other Factors

O. Rate Manual

The rates associated with this filing are static rates that only vary by geographic area as demonstrated in Exhibit 1. The derivation of the rates is shown in Exhibit 2.

P. Benefits Ratio Projection

While these are new products and no experience exists, the exhibit below demonstrates the projected benefits ratio, over the rating period.

	Premiums	Incurred Claims	Benefits Ratio
Projected Experience Without Rate Change	\$260,000	\$169,000	65%
Projected Experience With Rate Change	\$260,000	\$169,000	65%

Actuarial Value

The following is a demonstration of the actuarial values associated with the pediatric EHB included in this filing.

Actuarial values reflect the expected average share of allowed health spending that is paid for by the plan. This was calculated by comparing the amount a child would pay for a market basket of services covered in Colorado to the Allowed / Fee Schedule in Colorado for that same service. Each service was weighted by the frequency of occurrence.

For the High EHB Plan, the total Allowed / Fee Schedule for all services in Colorado is \$324.24 (“Market Basket for Colorado”). There is no deductible for the High Plan, so this value is the same for “Claims After Deductible”. The coinsurance for this plan is 100% / 80% / 50%, which decreases Guardian’s costs to \$276.31. However, the anticipated increase in costs due to the OOP Maximum is \$1.68. This brings the total Guardian cost to \$277.99. Therefore, the Actuarial Value for the High Plan is as follows:

- Value of Cost Sharing (Member Cost) = \$46.25
- Value of Allowed / Fee Schedule = \$324.24
- Actuarial Value = $1 - \$46.25 / \$324.24 = 85.7\%$

High EHB Plan					
Category of Service	Market Basket for Colorado	Claims After In Network Deductible	Claims After In Network Coinsurance	Claims After OOP Max	Member Cost
Preventive (100%)	\$149.49	\$149.49	\$149.49	\$149.49	\$0.00
Basic (80%)	\$77.05	\$77.05	\$61.64	\$62.01	\$15.04
Major (50%)	\$39.83	\$39.83	\$19.92	\$21.23	\$18.61
Non-Ortho	\$266.38	\$266.38	\$231.05	\$232.73	\$33.65
Ortho	\$57.86	\$57.86	\$45.26	\$45.26	\$12.60
Total	\$324.24	\$324.24	\$276.31	\$277.99	\$46.25
Actuarial Value (= 1 - Member Cost / Market Basket = 1 - 46.25 / 324.24) ----->>>>>					85.7%

Low EHB Plan					
Category of Service	Market Basket for Colorado	Claims After In Network Deductible	Claims After In Network Coinsurance	Claims After OOP Max	Member Cost
Preventive (90%)	\$149.49	\$149.49	\$130.66	\$130.99	\$18.51
Basic (70%)	\$77.05	\$52.55	\$35.42	\$36.59	\$40.46
Major (40%)	\$39.83	\$38.03	\$13.50	\$17.37	\$22.46
Non-Ortho	\$266.38	\$240.08	\$179.58	\$184.95	\$81.43
Ortho	\$57.86	\$57.86	\$45.26	\$45.26	\$12.60
Total	\$324.24	\$297.94	\$224.84	\$230.21	\$94.03
Actuarial Value (= 1 - Member Cost / Market Basket = 1 - 94.03 / 324.24) ----->>>>>					71.0%

Actuarial Certification

I, Anthony J. Tobia, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This actuarial memorandum has been prepared for the sole purpose of demonstrating the proposed rate schedules are reasonable and this memorandum may not be appropriate for other purposes.

In my opinion, the premium rates and rating methodology to which this certification applies are neither excessive, inadequate nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of Colorado. The premium and rating methodology to which this certification applies conforms to all applicable Actuarial Standards of Practice, including ASOP no. 8.

I am of the opinion that this filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

I certify that the Actuarial Values of the EHB plans are 85.7% for the High Plan and 71.0% for the Low Plan as determined using generally accepted actuarial principles.



Anthony J. Tobia, FSA, MAAA
Associate Actuary
Group Products - Actuarial

7/30/2013
Date

Actuarial Memorandum

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Supplemental policies effective January 1, 2014. The development of these rates is intended to maintain consistency with our Group Dental rate manual. As these rates are being developed for new contracts, there is no premium history, prior experience, or loss ratios to report.

The benefits included in these policies cover subscribers and their dependents. The Pediatric Dental Essential Health Benefit is included for those members under age 19.

The majority of rating factors and pricing assumptions used in determining our proposed rates are consistent with those currently used for Group business in the state of Colorado. Our Group Dental rates in Colorado are updated on a quarterly basis and submitted to the state of Colorado as part of our state rate filing.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

The premium rates for these plans vary by geography, age, and plan design. There is no limit to the issue age range and the premiums will be charged on an attained age basis.

The forms associated with this filing are as follows:

- SCH1-SUPP-PPOHIGHORTH-SHOP-CO
- SCH2-SUPP-PPOHIGH-SHOP-CO
- SCH3-SUPP-PPLOWORTH-SHOP-CO
- SCH4-SUPP-PPLOW-SHOP-CO

These policies will be guaranteed renewable.

Please see the attached Exhibit 1 (Supp) for the description of benefits.

B. Assumption or Acquisition

The products included in this rate filing were not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2013 to 3/31/2014.

D. Effect of Law Changes

There is no impact to rates due to changes in laws or regulations

E. Rate History

As this filing is applicable to new products, there is no rate history. However, attached is a rate history of our Group Dental manual rates for both Colorado and Nationwide since August 2009.

Colorado

SERFF Tracking Number	Effective Date	Minimum Change	Average Change	Maximum Change	Cumulative for past 12 Months
GARD-126236921	8/1/2009	1.20%	1.20%	1.20%	3.65%
GARD-126325845	11/1/2009	-0.30%	-0.30%	-0.30%	2.01%
GARD-126436583	1/1/2010	1.90%	1.90%	1.90%	3.53%
GARD-126587002	6/15/2010	3.50%	3.50%	3.50%	6.41%
GARD-126804616	12/1/2010	-0.53%	-0.53%	-0.53%	6.48%
GARD-127010132	4/1/2011	-1.97%	-1.97%	-1.97%	3.97%
GARD-128050999	4/1/2012	-12.16%	-2.53%	8.04%	1.92%
GARD-128529058	9/1/2012	-4.36%	-0.65%	3.42%	-0.24%
GARD-128709700	12/1/2012	-8.09%	-0.20%	15.45%	-1.91%
GARD-128829387	3/1/2013	-0.35%	1.25%	3.23%	-2.15%
GARD-128956658	6/1/2013	-2.66%	0.00%	3.62%	0.39%

Nationwide

Effective Date	Average Change	Cumulative for past 12 Months
1/1/2011	0.40%	4.41%
4/1/2011	0.65%	2.93%
7/1/2011	0.76%	2.99%
9/1/2011	-0.10%	1.72%
1/1/2012	1.00%	2.33%
4/1/2012	1.53%	3.22%
7/1/2012	1.12%	3.59%
10/1/2012	-0.20%	3.49%
1/1/2013	1.25%	3.74%
4/1/2013	0.00%	2.18%

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

These plans were priced with an expected loss ratio of 65%. The remaining 35% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

Components of Retention	% Premium
Sales / Commissions	9.0%
Administration	14.0%
Premium Tax	2.0%
ACA Health Insurer Fee	2.6%
Exchange Fee	1.4%
Federal Income Tax	3.0%
Profit	3.0%
Aggregate	35.0%

H. Provision for Profit and Contingencies

Guardian's profit margin is 3.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

We used our Group rate manual effective 1/1/2013, to develop a 4-tier rate for a 100/80/50 passive PPO plan design for group sizes 16-49. These rates assume an annual maximum of \$1,000.

In order to derive expected non-Orthodontia claim costs for the four plans, we extracted claims from the manual rates above and applied factors from our rate manual to reflect the plan designs depicted in the Supplemental schedules referenced above. The adjustments accounted for:

- Area
- Coinsurance
- Deductible
- Annual Maximum
- Moved or Non-Covered Services
- Out of Network claims which will be reimbursed at the in-network fee schedule
- Any associated network impacts (utilization, redirection) resulting from the new plan design

- 5% Annual Trend

We are estimating average morbidity will be similar to what we assume for a 25 life group.

The result was a four-tier rate (Individual, Individual + Spouse, Individual + Children, Family) for each of Colorado's 11 rating areas consistent with our rate manual.

Final Rates

For Exchange business, we are setting the Adult (ages 19+) rate equal to the Individual rate from our Group Rate Manual. The Child rate (ages 0-18) for the products being filed is equal to the Pediatric EHB rate derived in our EHB Only rate filing.

All four products include coverage for Medically Necessary Orthodontia. However, we also are filing two plan Supplemental plan designs that cover non-Medically Necessary Orthodontia for children ("with Ortho" options). For these products, the rate for ages 0-18 is equal to the pediatric EHB rate derived in our EHB Only rate filing plus an additional premium for the non-Medically Necessary Orthodontia component. For that, we used our current rate manual to calculate an expected Orthodontia claim cost for the plan designs depicted in the Supplemental schedules referenced above for each of Colorado's 11 rating areas. Since we estimate that 30% of Orthodontia is Medically Necessary and included as part of the Essential Health Benefits, we calculate the cosmetic Orthodontia benefit cost as 70% of the amount derived by our rate manual.

Please refer to Exhibit I for the plan designs and premium rates.

We are also filing our current nationwide quarterly dental trend factor of 1.25%, which is intended to keep premium rates from lagging behind anticipated increases in dental claims costs. This quarterly rate increase will impact premium rates only on policyholder anniversaries.

J. Trend

The annual trend assumption utilized in pricing is 5.0%. This reflects our best estimate of our long term claim cost trend.

K. Credibility

The Guardian's Colorado business meets the Colorado standard for full credibility. We have over 2,000 life years for each of the last 3 years.

L. Data Requirements

Since this is a filing of a new product, no prior history is available. However, attached below is a demonstration of Guardian's Group Dental block for groups with under 50 employees for both Colorado and nationwide.

Colorado (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	360	\$4,076,736	\$2,685,396	65.9%	5,149
2011	340	\$3,890,407	\$2,487,158	63.9%	4,583
2012	336	\$3,835,956	\$2,372,161	61.8%	4,413

Nationwide (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	49,376	\$511,462,063	\$327,411,762	64.0%	618,547
2011	49,734	\$517,199,782	\$325,462,794	62.9%	614,126
2012	50,537	\$528,171,678	\$328,482,103	62.2%	620,707

M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Other Factors

O. Rate Manual

The rates associated with this filing are static rates that only vary by geographic area as demonstrated in Exhibit 1.

P. Benefits Ratio Projection

While these are new products and no experience exists, the exhibit below demonstrates the projected benefits ratio, over the rating period.

	Premiums	Incurred Claims	Benefits Ratio
Projected Experience Without Rate Change	\$260,000	\$169,000	65%
Projected Experience With Rate Change	\$260,000	\$169,000	65%

Actuarial Certification

I, Anthony J. Tobia, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This actuarial memorandum has been prepared for the sole purpose of demonstrating the proposed rate schedules are reasonable and this memorandum may not be appropriate for other purposes.

In my opinion, the premium rates and rating methodology to which this certification applies are neither excessive, inadequate nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of Colorado. The premium and rating methodology to which this certification applies conforms to all applicable Actuarial Standards of Practice, including ASOP no. 8.

I am of the opinion that this filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

I certify that the Actuarial Values of the included pediatric EHB benefits are 85.7% for the High Plan and 71.0% for the Low Plan as determined using generally accepted actuarial principles.



Anthony J. Tobia, FSA, MAAA
Associate Actuary
Group Products - Actuarial

7/26/2013

Date

ACTUARIAL MEMORANDUM

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Child Only Pediatric Dental Standalone policies effective January 1, 2014. This is a new filing. The Pre-Paid Dental rates set forth in this filing will be used in all geographical regions in approved service areas within the state of Colorado. The rate calculation for our new plans follows the basic format of our previously approved rate Pre-Paid Dental calculation. This memorandum will describe the assumptions used in pricing the enclosed Pre-Paid Dental rate calculation for Managed DentalGuard issued by Guardian Life Insurance Company of America. As these rates are being developed for new contracts, there is no premium history, prior experience or loss ratios to report.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

The premium rates for these plans vary by plan design.

Policy Form GP-1-MDG-EHB-ECO1-13, certificate CGP-3-MDG-EHB-ECO1-13 and policy form GP-1-MDG-EHB-ECO2-13, certificate CGP-3-MDG-EHB-ECO2-13 provide Group Pediatric Dental Essential Health Expense coverage for dependent children under the age of 19. These will be referred to as the EHB Low and EHB High plans, respectively.

These policies will be guaranteed renewable.

This policy form provides Group Pre-Paid Dental coverage for children under the age of 19 referred to as EHB High and EHB Low. There is no limit to the issue age range and the premiums will be charged on an attained age basis. Benefits are provided on a capitated basis, and are only available if an insured receives treatment from a participating network dental provider. Upon payment of a \$5 office visit copay, insureds receive benefits at a discount off dental providers usual and reasonable customary charges in the form of patient copay charges. In order for benefits to be covered for specialty care, insureds must receive a referral in advance from their primary care dentist. These plans are also subject to an Out-of-Pocket maximum of \$700 for one child enrollee and \$1,400 for two or more child enrollees.

B. Assumption or Acquisition

The products included in this rate filing were not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2014 to 12/31/2014.

D. Effect of Law Changes

This filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

E. Rate History

As these rates are being developed for new contracts, there is no rate history.

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

These plans were priced with an expected loss ratio of 60%. The remaining 40% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

Components of Retention	% Premium
Sales / Commissions	7.0%
Administration	16.4%
Premium Tax	2.0%
ACA Health Insurer Fee	2.6%
Exchange Fee	1.4%
Federal Income Tax	4.6%
Profit	6.0%
Aggregate	40.0%

H. Provision for Profit and Contingencies

Guardian's profit margin is 6.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

Dental Rating Methodology

Line 1A - Capitation Starting Rates were designed to provide each participating dentist in our network with a total hourly compensation level that approximates a discount off their typical gross earning. Expected hourly compensation is assumed to be lower for children than for adults because of the lower cost of treating children.

Total hourly compensation includes dentists' earnings from a combination of capitation payments and patient charges. Hourly compensation earned through patient charges is evaluated using two sources:

- 1) Utilization data supported by our own claims experience and corroborated by dental consultants: and
- 2) Time value Units – the length of time required to perform each dental procedure. Available from industry consultants.

Hourly rates for each patient charge schedule are ascertained and then the capitation rate is set to make up for the shortfall between this rate and our target hourly compensation. Any future plan designs we introduce will be priced in the same manner.

Line 1C - Capitation Trend Factor is the expected annual cap trend. Line 1C multiplies the capitation rates by the factor listed in Line 1C.

Line 2A – Supplemental Payment Starting Rates are expected additional amounts paid to the dentists on a child basis.

Line 2B – Supplemental Trend Factor multiplies the child supplemental rates by the factor listed in Line 2B.

Line 3A - Specialty Starting Rates contains the expected costs of paying all specialty claims other than orthodontia. Claim costs are based on discounted fee schedule amounts from our leased network of specialists throughout the state. Utilization estimates are based on the aggregate specialty claims experience for children, and were reviewed by our dental director.

Line 3B – Specialty Trend multiplies the child specialty rates by the factor in Line 3B.

Line 3C adds the Capitation, Supplemental and Specialty rates from lines 1C, 2B and 3B.

Line 4A – Adjustment for OOP Maximum – This coverage includes an Out-of-Pocket maximum benefit which pays 100% of the covered services after the insured child has reached \$700 of out-of-pocket claims costs (\$1,400 for 2 or more enrolled children). We account for this additional cost in two ways. First, we assume that 0.9% of children require Medically necessary orthodontia treatment in a given year. These children will incur out of pocket costs of \$700 for Orthodontia so all other network claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out-of-pocket expenses for non-medically necessary Orthodontia treatments. Using a consultant's claim continuance curve, we estimated the cost of the benefits above the threshold.

Final Rates

Line 3C and 4A are added together to determine the overall Child Only Claims costs. The overall cost is then divided by a TLR assumption of 60% in order to produce the per child premium rates for the EHB High and EHB Low plan.

On November 20, 2012, CMS published CMS Form Number: CMS-10433: Initial Plan Data Collection to Support QHP Certification and other Financial Management and Exchange Operations. A part of the collection of this data will be in the form of templates intended to create a nationwide standard of plan- and issuer-level data collection for the use of QHP certification, exchange operations, and oversight activities. In order to complete the rates template for Stand-Alone Dental Products, we are required to enter an individual per Child rate that would be multiplied by the number of children, capping at three for employees with three or more children. In order to avoid deficiency in our rates for groups with three or more children, we are applying an adjustment of 1.05 to our individual per Child rate submitted in the rates template. The per child premium rates for the EHB High and EHB Low plans are shown below:

EHB High: \$23.44 per Covered Child

EHB Low: \$10.83 per Covered Child

Actuarial Value

The actuarial values of the EHB High and EHB Low plans are 83.0% and 70.0%, respectively.

J. Trend

Trend for supplemental costs are not expected to exceed 6% per year. Specialty care claims are expected to trend @ 8% per year. This trend assumption includes both the effects of medical and insurance trend and is not explicitly split between the two categories.

K. Credibility

This is a new product.

L. Data Requirements

As these rates are being developed for new contracts, there is no premium history, prior experience or loss ratios to report.

M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Rate Manual

The rates associated with this filing are static rates that only vary by product. The rate calculation is attached.

O. Benefits Ratio Projection

These are new products and no experience exists. Our projected benefits ratio is 60%.

ACTUARIAL CERTIFICATION

I, Lisa E. Knoble, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This filing is in compliance with Actuarial Standard of Practice No. 8 “Regulatory Filings for Rates and Financial Projections for Health Plans” as adopted by the Actuarial Standards Board and all applicable laws and regulations of the State of Colorado. The benefits are reasonable in relation to the premiums charged, and the rates are not unfairly discriminatory.

I respectfully request that this actuarial memorandum and accompanying rate manual be treated as confidential and proprietary to the extent permissible by Colorado law.

Lisa Knoble

Lisa Knoble, ASA, MAAA
Actuarial Pricing Manager
Group Products
Guardian Life Insurance Company of America

8/1/13
Date

Rate Calculation

Line 1A CAPITATION STARTING RATES

	<u>EHB Low</u>	<u>EHB High</u>
Child	\$2.46	\$7.72

Line 1C CAPITATION TREND FACTOR
Multiply Line 1A rates by a factor of 1.00

Line 2A SUPPLEMENTAL STARTING RATES

	<u>EHB Low</u>	<u>EHB High</u>
Child	\$1.12	\$1.12

Line 2B SUPPLEMENTAL TREND FACTOR
Multiply child supplemental starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.06)^{(X-1)}$

Line 3A SPECIALTY STARTING RATES

	<u>EHB Low</u>	<u>EHB High</u>
Child	\$0.51	\$2.61

Line 3B SPECIALTY TREND
Multiply child specialty starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.08)^{(X-1)}$

Line 3C Add Lines 1C + 2B + 3B

Line 4A ADJUSTMENT for OOP MAXIMUM
Add the applicable amount below to line 3C.

	<u>EHB Low</u>	<u>EHB High</u>
Child	\$2.10	\$1.94

Line 7 LOSS RATIO
Divide each rate from Line 4A by 0.60 to get the final rates.

SHOP Tier Adjustment – Multiply rates by 1.05.

ACTUARIAL MEMORANDUM

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Family Plan Dental Standalone policies effective January 1, 2014. This is a new filing. The Pre-Paid Dental rates set forth in this filing will be used in all geographical regions in approved service areas within the state of Colorado. The rate calculation for our new plans follows the basic format of our previously approved rate Pre-Paid Dental calculation. This memorandum will describe the assumptions used in pricing the enclosed Pre-Paid Dental rate calculation for Managed DentalGuard issued by Guardian Life Insurance Company of America. As these rates are being developed for new contracts, there is no premium history, prior experience or loss ratios to report.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

The premium rates for this plan are static.

Policy Form GP-1-MDG-GRO-U10COG-13, certificate CGP-3-MDG-GRO-U10COG-13 provides Group dental expense coverage for covered persons and their dependents. It is based on our currently approved U10 plan and incorporates the Pediatric Dental Essential Health Benefits as determined by Colorado.

These policies will be guaranteed renewable.

This policy form provides Group Pre-Paid Dental coverage for covered persons and their dependents. It is based on our currently approved U10 plan and incorporates the Pediatric Dental Essential Health Benefits as determined by Colorado. There is no limit to the issue age range and the premiums will be charged on an attained age basis. Benefits are provided on a capitated basis, and are only available if an insured receives treatment from a participating network dental provider. Upon payment of a \$5 office visit copay, insureds receive benefits at a discount off dental providers usual and reasonable customary charges in the form of patient copay charges. In order for benefits to be covered for specialty care, insureds must receive a referral in advance from their primary care dentist. This plan also includes coverage for the Pediatric Dental Essential Health Benefits as determined by Colorado which include copays that meet the actuarial value ranges prescribed by law, covers medically necessary orthodontia and includes an Out-of-Pocket maximum of \$700 for one child enrollee under the age of 19 and \$1,400 for two or more child enrollees under the age of 19.

B. Assumption or Acquisition

The product included in this rate filing is not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2014 to 12/31/2014.

D. Effect of Law Changes

This filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

E. Rate History

As these rates are being developed for new contracts, there is no rate history.

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

This plan was priced with an expected loss ratio of 60%. The remaining 40% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

Components of Retention	% Premium
Sales / Commissions	7.0%
Administration	16.4%
Premium Tax	2.0%
ACA Health Insurer Fee	2.6%
Exchange Fee	1.4%
Federal Income Tax	4.6%
Profit	6.0%
Aggregate	40.0%

H. Provision for Profit and Contingencies

Guardian’s profit margin is 6.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

Dental Rating Methodology

Line 1A - Capitation Starting Rates were designed to provide each participating dentist in our network with a total hourly compensation level that approximates a discount off their typical gross earning. Expected hourly compensation is assumed to be lower for children than for adults because of the lower cost of treating children.

Total hourly compensation includes dentists' earnings from a combination of capitation payments and patient charges. Hourly compensation earned through patient charges is evaluated using two sources:

- 1) Utilization data supported by our own claims experience and corroborated by dental consultants: and
- 2) Time value Units – the length of time required to perform each dental procedure. Available from industry consultants.

Hourly rates for each patient charge schedule are ascertained and then the capitation rate is set to make up for the shortfall between this rate and our target hourly compensation. Any future plan designs we introduce will be priced in the same manner.

Line 1Ai – methodology for converting cap rate to a tier based system. Methodology based on stated distribution of Adult/child as well as tier enrollment.

Line 1Aii – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 1C - Capitation Trend Factor is the expected annual cap trend. Line 1C multiplies the adult and child capitation rates by the factor listed in Line 1C.

Line 2A – Supplemental Payment Starting Rates are expected additional amounts paid to the dentists on an adult and child basis.

Line 2Ai – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 2B – Supplemental Trend Factor multiplies the adult and child supplemental rates by the factor listed in Line 2B.

Line 3A - Specialty Starting Rates contains the expected costs of paying all specialty claims other than orthodontia. Claim costs are based on discounted fee schedule amounts from our leased network of specialists throughout the state. Utilization estimates are based on the aggregate specialty claims experience for adults and children, and were reviewed by our dental director.

Line 3Ai – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 3B – Specialty Trend multiplies the adult and child specialty rates by the factor in Line 3B.

Line 3C adds the Capitation, Supplemental and Specialty rates from lines 1C, 2B and 3B.

Line 4 – Orthodontia – Orthodontia starting rates represents the costs of orthodontia claims on optional orthodontia benefits. The Family plan has an orthodontia benefit with a patient charge equal to the discounted fee arranged with our participating orthodontists.

Line 4A – Adjustment for OOP Maximum – This plan includes coverage for the Pediatric Dental component of Essential Health Benefits and has an Out-of-Pocket maximum benefit which pays 100% of the covered services after the insured child under age 19 has reached \$700 in out-of-pocket claims costs (\$1,400 for 2 or more enrolled children). We account for this additional cost in two ways. First, we assume that 0.9% of children require Medically necessary orthodontia treatment in a given year. These children will incur out of pocket costs of \$700 for Orthodontia so all other network claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out-of-pocket expenses for non-medically necessary Orthodontia treatments. Using a consultant’s claim continuance curve, we estimated the cost of the benefits above the threshold.

Final Rates

The overall costs from Line 4A are divided by a TLR assumption of 60% in order to produce the Final rates for the Family plan shown below:

Employee	\$11.86
Employee + Spouse	\$23.69
Employee + Child(ren)	\$36.94
Employee + Spouse + Child(ren)	\$61.32

Actuarial Value

The actuarial value of the Pediatric Dental Essential Health benefit in this plan for children under age 19 is 70.0%.

J. Trend

Trend for supplemental costs are not expected to exceed 6% per year. Specialty care claims are expected to trend @ 8% per year. This trend assumption includes both the effects of medical and insurance trend and is not explicitly split between the two categories.

K. Credibility

This is a new product.

L. Data Requirements

As these rates are being developed for a new contract, there is no premium history, prior experience or loss ratios to report.

M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Rate Manual

The rates associated with this filing are static rates. The rate calculation is attached.

O. Benefits Ratio Projection

This is a new product and no experience exists. Our projected benefits ratio is 60%.

ACTUARIAL CERTIFICATION

I, Lisa E. Knoble, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This filing is in compliance with Actuarial Standard of Practice No. 8 “Regulatory Filings for Rates and Financial Projections for Health Plans” as adopted by the Actuarial Standards Board and all applicable laws and regulations of the State of Colorado. The benefits are reasonable in relation to the premiums charged, and the rates are not unfairly discriminatory.

I respectfully request that this actuarial memorandum and accompanying rate manual be treated as confidential and proprietary to the extent permissible by Colorado law.

Lisa Knoble

Lisa Knoble, ASA, MAAA
Actuarial Pricing Manager
Group Products
Guardian Life Insurance Company of America

8/1/13
Date

Rate Calculation

Line 1A CAPITATION STARTING RATES

	<u>Family Option</u>
Adult Cap rate	\$4.38
Child Cap rate	\$3.28

Line 1Ai Methodology for converting cap to tier base

		<u>Adults</u>	<u>Children</u>
EE	55%	1	0
EE/SP	15%	2	0
EE/CH	10%	1	2.00
FAM	20%	2	3.00

Line 1Aii RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$4.38
Employee + Spouse	\$8.76
Employee + Child(ren)	\$10.95
Employee + Spouse + Child(ren)	\$18.61

Line 1C CAPITATION TREND FACTOR
Multiply all Line 1Aii tier rates by a factor of 1.00

Line 2A SUPPLEMENTAL STARTING RATES

	<u>Family Option</u>
Adult Cap rate	\$1.12
Child Cap rate	\$1.12

Line 2Ai SUPPLEMENTAL RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$1.12
Employee + Spouse	\$2.25
Employee + Child(ren)	\$3.37
Employee + Spouse + Child(ren)	\$5.62

Line 2B SUPPLEMENTAL TREND FACTOR
Multiply all Line 2Ai supplemental starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.06)^{(X-1)}$

Line 3A SPECIALTY STARTING RATES

	<u>Family Option</u>
Adult	\$1.61
Child	\$1.03

Line 3Ai SPECIALTY RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$1.61
Employee + Spouse	\$3.21
Employee + Child(ren)	\$3.65
Employee + Spouse + Child(ren)	\$6.28

Line 3B SPECIALTY TREND

Multiply al Line 3Ai specialty starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.08)^{(X-1)}$

Line 3C Add Lines 1C + 2B + 3B

Line 4 ORTHODONITA RATES

Add orthodontia rate to the appropriate tier in Line 3C.

	<u>Rate</u>
Employee	\$0.00
Employee + Spouse	\$0.00
Employee + Child(ren)	\$0.00
Employee + Spouse + Child(ren)	\$0.00

Line 4A ADJUSTMENT for OOP MAXIMUM

Add the OOP maximum adjustment below to the appropriate tier in Line 4.

	<u>Rate</u>
Employee	\$0.00
Employee + Spouse	\$0.00
Employee + Child(ren)	\$4.19
Employee + Spouse + Child(ren)	\$6.29

Line 7 LOSS RATIO

Divide each rate from Line 4A by 0.60 to get the final rates.

ACTUARIAL MEMORANDUM

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Family Plan Dental Standalone policies effective January 1, 2014. This is a new filing. The Pre-Paid Dental rates set forth in this filing will be used in all geographical regions in approved service areas within the state of Colorado. The rate calculation for our new plans follows the basic format of our previously approved rate Pre-Paid Dental calculation. This memorandum will describe the assumptions used in pricing the enclosed Pre-Paid Dental rate calculation for Managed DentalGuard issued by Guardian Life Insurance Company of America. As these rates are being developed for new contracts, there is no premium history, prior experience or loss ratios to report.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

The premium rates for this plan are static.

Policy Form GP-1-MDG-GRO-OFF-CO-13, certificate CGP-3-MDG-GRO-OFF-CO-13 provides Group dental expense coverage for covered persons and their dependents. It is based on our currently approved U20 plan and incorporates the Pediatric Dental Essential Health Benefits as determined by Colorado.

These policies will be guaranteed renewable.

This policy form provides Group Pre-Paid Dental coverage for covered persons and their dependents. It is based on our currently approved U20 plan and incorporates the Pediatric Dental Essential Health Benefits as determined by Colorado. There is no limit to the issue age range and the premiums will be charged on an attained age basis. Benefits are provided on a capitated basis, and are only available if an insured receives treatment from a participating network dental provider. Upon payment of a \$5 office visit copay, insureds receive benefits at a discount off dental providers usual and reasonable customary charges in the form of patient copay charges. In order for benefits to be covered for specialty care, insureds must receive a referral in advance from their primary care dentist. This plan also includes coverage for the Pediatric Dental Essential Health Benefits as determined by Colorado which include copays that meet the actuarial value ranges prescribed by law, covers medically necessary orthodontia and includes an Out-of-Pocket maximum of \$700 for one child enrollee under the age of 19 and \$1,400 for two or more child enrollees under the age of 19.

B. Assumption or Acquisition

The product included in this rate filing is not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2014 to 12/31/2014.

D. Effect of Law Changes

This filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

E. Rate History

As these rates are being developed for new contracts, there is no rate history.

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

This plan was priced with an expected loss ratio of 60%. The remaining 40% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

Components of Retention	% Premium
Sales / Commissions	7.0%
Administration	16.4%
Premium Tax	2.0%
ACA Health Insurer Fee	2.6%
Exchange Fee	1.4%
Federal Income Tax	4.6%
Profit	6.0%
Aggregate	40.0%

H. Provision for Profit and Contingencies

Guardian's profit margin is 6.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

Dental Rating Methodology

Line 1A - Capitation Starting Rates were designed to provide each participating dentist in our network with a total hourly compensation level that approximates a discount off their typical gross earning. Expected hourly compensation is assumed to be lower for children than for adults because of the lower cost of treating children.

Total hourly compensation includes dentists' earnings from a combination of capitation payments and patient charges. Hourly compensation earned through patient charges is evaluated using two sources:

- 1) Utilization data supported by our own claims experience and corroborated by dental consultants: and
- 2) Time value Units – the length of time required to perform each dental procedure. Available from industry consultants.

Hourly rates for each patient charge schedule are ascertained and then the capitation rate is set to make up for the shortfall between this rate and our target hourly compensation. Any future plan designs we introduce will be priced in the same manner.

Line 1Ai – methodology for converting cap rate to a tier based system. Methodology based on stated distribution of Adult/child as well as tier enrollment.

Line 1Aii – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 1C - Capitation Trend Factor is the expected annual cap trend. Line 1C multiplies the adult and child capitation rates by the factor listed in Line 1C.

Line 2A – Supplemental Payment Starting Rates are expected additional amounts paid to the dentists on an adult and child basis.

Line 2Ai – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 2B – Supplemental Trend Factor multiplies the adult and child supplemental rates by the factor listed in Line 2B.

Line 3A - Specialty Starting Rates contains the expected costs of paying all specialty claims other than orthodontia. Claim costs are based on discounted fee schedule amounts from our leased network of specialists throughout the state. Utilization estimates are based on the aggregate specialty claims experience for adults and children, and were reviewed by our dental director.

Line 3Ai – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 3B – Specialty Trend multiplies the adult and child specialty rates by the factor in Line 3B.

Line 3C adds the Capitation, Supplemental and Specialty rates from lines 1C, 2B and 3B.

Line 4 – Orthodontia – Orthodontia starting rates represents the costs of orthodontia claims on optional orthodontia benefits. The Family plan has an orthodontia benefit with a patient charge equal to the discounted fee arranged with our participating orthodontists.

Line 4A – Adjustment for OOP Maximum – This plan includes coverage for the Pediatric Dental component of Essential Health Benefits and has an Out-of-Pocket maximum benefit which pays 100% of the covered services after the insured child under age 19 has reached \$700 in out-of-pocket claims costs (\$1,400 for 2 or more enrolled children). We account for this additional cost in two ways. First, we assume that 0.9% of children require Medically necessary orthodontia treatment in a given year. These children will incur out of pocket costs of \$700 for Orthodontia so all other network claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out-of-pocket expenses for non-medically necessary Orthodontia treatments. Using a consultant’s claim continuance curve, we estimated the cost of the benefits above the threshold.

Final Rates

The overall costs from Line 4A are divided by a TLR assumption of 60% in order to produce the Final rates for the Family plan shown below:

Employee	\$16.49
Employee + Spouse	\$32.97
Employee + Child(ren)	\$47.83
Employee + Spouse + Child(ren)	\$79.98

Actuarial Value

The actuarial value of the Pediatric Dental Essential Health benefit in this plan for children under age 19 is 70.0%.

J. Trend

Trend for supplemental costs are not expected to exceed 6% per year. Specialty care claims are expected to trend @ 8% per year. This trend assumption includes both the effects of medical and insurance trend and is not explicitly split between the two categories.

K. Credibility

This is a new product.

L. Data Requirements

As these rates are being developed for a new contract, there is no premium history, prior experience or loss ratios to report.

M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Rate Manual

The rates associated with this filing are static rates. The rate calculation is attached.

O. Benefits Ratio Projection

This is a new product and no experience exists. Our projected benefits ratio is 60%.

ACTUARIAL CERTIFICATION

I, Lisa E. Knoble, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This filing is in compliance with Actuarial Standard of Practice No. 8 “Regulatory Filings for Rates and Financial Projections for Health Plans” as adopted by the Actuarial Standards Board and all applicable laws and regulations of the State of Colorado. The benefits are reasonable in relation to the premiums charged, and the rates are not unfairly discriminatory.

I respectfully request that this actuarial memorandum and accompanying rate manual be treated as confidential and proprietary to the extent permissible by Colorado law.

Lisa Knoble

Lisa Knoble, ASA, MAAA
Actuarial Pricing Manager
Group Products
Guardian Life Insurance Company of America

8/1/13
Date

Rate Calculation

Line 1A CAPITATION STARTING RATES

	<u>Family Option</u>
Adult Cap rate	\$6.28
Child Cap rate	\$4.71

Line 1Ai Methodology for converting cap to tier base

		<u>Adults</u>	<u>Children</u>
EE	55%	1	0
EE/SP	15%	2	0
EE/CH	10%	1	2.00
FAM	20%	2	3.00

Line 1Aii RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$6.28
Employee + Spouse	\$12.56
Employee + Child(ren)	\$15.70
Employee + Spouse + Child(ren)	\$26.69

Line 1C CAPITATION TREND FACTOR
Multiply all Line 1Aii tier rates by a factor of 1.00

Line 2A SUPPLEMENTAL STARTING RATES

	<u>Family Option</u>
Adult Cap rate	\$1.35
Child Cap rate	\$1.35

Line 2Ai SUPPLEMENTAL RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$1.35
Employee + Spouse	\$2.70
Employee + Child(ren)	\$4.04
Employee + Spouse + Child(ren)	\$6.74

Line 2B SUPPLEMENTAL TREND FACTOR
Multiply all Line 2Ai supplemental starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.06)^{(X-1)}$

Line 3A SPECIALTY STARTING RATES

	<u>Family Option</u>
Adult	\$2.26
Child	\$1.25

Line 3Ai SPECIALTY RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$2.26
Employee + Spouse	\$4.53
Employee + Child(ren)	\$4.76
Employee + Spouse + Child(ren)	\$8.27

Line 3B SPECIALTY TREND

Multiply al Line 3Ai specialty starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.08)^{(X-1)}$

Line 3C Add Lines 1C + 2B + 3B

Line 4 ORTHODONITA RATES

Add orthodontia rate to the appropriate tier in Line 3C.

	<u>Rate</u>
Employee	\$0.00
Employee + Spouse	\$0.00
Employee + Child(ren)	\$0.00
Employee + Spouse + Child(ren)	\$0.00

Line 4A ADJUSTMENT for OOP MAXIMUM

Add the OOP maximum adjustment below to the appropriate tier in Line 4.

	<u>Rate</u>
Employee	\$0.00
Employee + Spouse	\$0.00
Employee + Child(ren)	\$4.19
Employee + Spouse + Child(ren)	\$6.29

Line 7 LOSS RATIO

Divide each rate from Line 4A by 0.60 to get the final rates.

ACTUARIAL MEMORANDUM

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Family Plan Dental Standalone policies effective January 1, 2014. This is a new filing. The Pre-Paid Dental rates set forth in this filing will be used in all geographical regions in approved service areas within the state of Colorado. The rate calculation for our new plans follows the basic format of our previously approved rate Pre-Paid Dental calculation. This memorandum will describe the assumptions used in pricing the enclosed Pre-Paid Dental rate calculation for Managed DentalGuard issued by Guardian Life Insurance Company of America. As these rates are being developed for new contracts, there is no premium history, prior experience or loss ratios to report.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

The premium rates for this plan are static.

Policy Form GP-1-MDG-GRO-OFF-CO-13, certificate CGP-3-MDG-GRO-OFF-CO-13 provides Group dental expense coverage for covered persons and their dependents. It is based on our currently approved U30 plan and incorporates the Pediatric Dental Essential Health Benefits as determined by Colorado.

These policies will be guaranteed renewable.

This policy form provides Group Pre-Paid Dental coverage for covered persons and their dependents. It is based on our currently approved U30 plan and incorporates the Pediatric Dental Essential Health Benefits as determined by Colorado. There is no limit to the issue age range and the premiums will be charged on an attained age basis. Benefits are provided on a capitated basis, and are only available if an insured receives treatment from a participating network dental provider. Upon payment of a \$5 office visit copay, insureds receive benefits at a discount off dental providers usual and reasonable customary charges in the form of patient copay charges. In order for benefits to be covered for specialty care, insureds must receive a referral in advance from their primary care dentist. This plan also includes coverage for the Pediatric Dental Essential Health Benefits as determined by Colorado which include copays that meet the actuarial value ranges prescribed by law, covers medically necessary orthodontia and includes an Out-of-Pocket maximum of \$700 for one child enrollee under the age of 19 and \$1,400 for two or more child enrollees under the age of 19.

B. Assumption or Acquisition

The product included in this rate filing is not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2014 to 12/31/2014.

D. Effect of Law Changes

This filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

E. Rate History

As these rates are being developed for new contracts, there is no rate history.

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

This plan was priced with an expected loss ratio of 60%. The remaining 40% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

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Sales / Commissions	7.0%
Administration	16.4%
Premium Tax	2.0%
ACA Health Insurer Fee	2.6%
Exchange Fee	1.4%
Federal Income Tax	4.6%
Profit	6.0%
Aggregate	40.0%

H. Provision for Profit and Contingencies

Guardian's profit margin is 6.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

Dental Rating Methodology

Line 1A - Capitation Starting Rates were designed to provide each participating dentist in our network with a total hourly compensation level that approximates a discount off their typical gross earning. Expected hourly compensation is assumed to be lower for children than for adults because of the lower cost of treating children.

Total hourly compensation includes dentists' earnings from a combination of capitation payments and patient charges. Hourly compensation earned through patient charges is evaluated using two sources:

- 1) Utilization data supported by our own claims experience and corroborated by dental consultants: and
- 2) Time value Units – the length of time required to perform each dental procedure. Available from industry consultants.

Hourly rates for each patient charge schedule are ascertained and then the capitation rate is set to make up for the shortfall between this rate and our target hourly compensation. Any future plan designs we introduce will be priced in the same manner.

Line 1Ai – methodology for converting cap rate to a tier based system. Methodology based on stated distribution of Adult/child as well as tier enrollment.

Line 1Aii – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 1C - Capitation Trend Factor is the expected annual cap trend. Line 1C multiplies the adult and child capitation rates by the factor listed in Line 1C.

Line 2A – Supplemental Payment Starting Rates are expected additional amounts paid to the dentists on an adult and child basis.

Line 2Ai – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 2B – Supplemental Trend Factor multiplies the adult and child supplemental rates by the factor listed in Line 2B.

Line 3A - Specialty Starting Rates contains the expected costs of paying all specialty claims other than orthodontia. Claim costs are based on discounted fee schedule amounts from our leased network of specialists throughout the state. Utilization estimates are based on the aggregate specialty claims experience for adults and children, and were reviewed by our dental director.

Line 3Ai – conversion to a 4 tier rating structure based on the volume of adults and children and their proper distribution within the tier cap.

Line 3B – Specialty Trend multiplies the adult and child specialty rates by the factor in Line 3B.

Line 3C adds the Capitation, Supplemental and Specialty rates from lines 1C, 2B and 3B.

Line 4 – Orthodontia – Orthodontia starting rates represents the costs of orthodontia claims on optional orthodontia benefits. The Family plan has an orthodontia benefit with a patient charge equal to the discounted fee arranged with our participating orthodontists.

Line 4A – Adjustment for OOP Maximum – This plan includes coverage for the Pediatric Dental component of Essential Health Benefits and has an Out-of-Pocket maximum benefit which pays 100% of the covered services after the insured child under age 19 has reached \$700 in out-of-pocket claims costs (\$1,400 for 2 or more enrolled children). We account for this additional cost in two ways. First, we assume that 0.9% of children require Medically necessary orthodontia treatment in a given year. These children will incur out of pocket costs of \$700 for Orthodontia so all other network claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out-of-pocket expenses for non-medically necessary Orthodontia treatments. Using a consultant’s claim continuance curve, we estimated the cost of the benefits above the threshold.

Final Rates

The overall costs from Line 4A are divided by a TLR assumption of 60% in order to produce the Final rates for the Family plan shown below:

Employee	\$20.30
Employee + Spouse	\$40.61
Employee + Child(ren)	\$58.29
Employee + Spouse + Child(ren)	\$97.58

Actuarial Value

The actuarial value of the Pediatric Dental Essential Health benefit in this plan for children under age 19 is 70.0%.

J. Trend

Trend for supplemental costs are not expected to exceed 6% per year. Specialty care claims are expected to trend @ 8% per year. This trend assumption includes both the effects of medical and insurance trend and is not explicitly split between the two categories.

K. Credibility

This is a new product.

L. Data Requirements

As these rates are being developed for a new contract, there is no premium history, prior experience or loss ratios to report.

M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Rate Manual

The rates associated with this filing are static rates. The rate calculation is attached.

O. Benefits Ratio Projection

This is a new product and no experience exists. Our projected benefits ratio is 60%.

ACTUARIAL CERTIFICATION

I, Lisa E. Knoble, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This filing is in compliance with Actuarial Standard of Practice No. 8 “Regulatory Filings for Rates and Financial Projections for Health Plans” as adopted by the Actuarial Standards Board and all applicable laws and regulations of the State of Colorado. The benefits are reasonable in relation to the premiums charged, and the rates are not unfairly discriminatory.

I respectfully request that this actuarial memorandum and accompanying rate manual be treated as confidential and proprietary to the extent permissible by Colorado law.

Lisa Knoble

Lisa Knoble, ASA, MAAA
Actuarial Pricing Manager
Group Products
Guardian Life Insurance Company of America

8/1/13
Date

Rate Calculation

Line 1A CAPITATION STARTING RATES

	<u>Family Option</u>
Adult Cap rate	\$7.91
Child Cap rate	\$5.94

Line 1Ai Methodology for converting cap to tier base

		<u>Adults</u>	<u>Children</u>
EE	55%	1	0
EE/SP	15%	2	0
EE/CH	10%	1	2.00
FAM	20%	2	3.00

Line 1Aii RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$7.91
Employee + Spouse	\$15.83
Employee + Child(ren)	\$19.78
Employee + Spouse + Child(ren)	\$33.63

Line 1C CAPITATION TREND FACTOR
Multiply all Line 1Aii tier rates by a factor of 1.00

Line 2A SUPPLEMENTAL STARTING RATES

	<u>Family Option</u>
Adult Cap rate	\$2.13
Child Cap rate	\$2.13

Line 2Ai SUPPLEMENTAL RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$2.13
Employee + Spouse	\$4.27
Employee + Child(ren)	\$6.40
Employee + Spouse + Child(ren)	\$10.67

Line 2B SUPPLEMENTAL TREND FACTOR
Multiply all Line 2Ai supplemental starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.06)^{(X-1)}$

Line 3A SPECIALTY STARTING RATES

	<u>Family Option</u>
Adult	\$2.13
Child	\$1.22

Line 3Ai SPECIALTY RATE DISTRIBUTION WITHIN A TIER

	<u>Family Option</u>
Employee	\$2.13
Employee + Spouse	\$4.27
Employee + Child(ren)	\$4.60
Employee + Spouse + Child(ren)	\$7.95

Line 3B SPECIALTY TREND

Multiply al Line 3Ai specialty starting rates by the applicable factor below:

<u>Trend</u>	<u>Factor</u>
Year 1	1.00
Year X	$(1.08)^{(X-1)}$

Line 3C Add Lines 1C + 2B + 3B

Line 4 ORTHODONITA RATES

Add orthodontia rate to the appropriate tier in Line 3C.

	<u>Rate</u>
Employee	\$0.00
Employee + Spouse	\$0.00
Employee + Child(ren)	\$0.00
Employee + Spouse + Child(ren)	\$0.00

Line 4A ADJUSTMENT for OOP MAXIMUM

Add the OOP maximum adjustment below to the appropriate tier in Line 4.

	<u>Rate</u>
Employee	\$0.00
Employee + Spouse	\$0.00
Employee + Child(ren)	\$4.19
Employee + Spouse + Child(ren)	\$6.29

Line 7 LOSS RATIO

Divide each rate from Line 4A by 0.60 to get the final rates.

State: Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health - Dental

Product Name: Group Dental PPO

Project Name/Number: Group Dental Products Project/0146GUA01-03

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
07/31/2013		Supporting Document	Actuarial Material	08/01/2013	Actuarial Memo HCR - CO (EHB Group)(Rev) v3.pdf (Superseded) Actuarial Memo HCR - CO (Supp Group)(Rev) v3.pdf (Superseded)
07/30/2013		Rate	Exhibit 1 for CO Group EHB Rate Filing	07/31/2013	Actuarial Memo HCR - CO (EHB Group)(Rev) v3.pdf (Superseded)
07/30/2013		Rate	Exhibit 1 for Group SUPP Rate Filing	07/31/2013	Actuarial Memo HCR - CO (Supp Group)(Rev) v3.pdf (Superseded)
07/30/2013		Supporting Document	Actuarial Material	07/31/2013	
07/26/2013		Supporting Document	Actuarial Material	07/30/2013	Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf (Superseded) Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf (Superseded) Exhibit 2 for CO Group EHB Rate Filing.pdf (Superseded) Actuarial Memo HCR - CO (EHB Group)(Rev) v2.pdf (Superseded) Actuarial Memo HCR - CO _Supp Group__Rev_ v2.pdf (Superseded)
07/22/2013		Rate	Exhibit 1 for Group SUPP Rate Filing	07/30/2013	Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf (Superseded)

SERFF Tracking #:

GARD-129106322

State Tracking #:

279809

Company Tracking #:

0146GUA01-03

State:

Colorado

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health - Dental

Product Name:

Group Dental PPO

Project Name/Number:

Group Dental Products Project/0146GUA01-03

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
07/22/2013		Supporting Document	Actuarial Material	07/26/2013	Actuarial Memo HCR - CO (EHB Group)(Rev).pdf (Superceded) Actuarial Memo HCR - CO (Supp Group)(Rev).pdf (Superceded) Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf Exhibit 1 for CO Group Supp Rate Filing(Rev).pdf Exhibit 2 for CO Group EHB Rate Filing.pdf
07/22/2013		Rate	Exhibit 1 for CO Group EHB Rate Filing	07/30/2013	Exhibit 1 for CO Group EHB Rate Filing(Rev).pdf (Superceded)
07/05/2013		Rate	Exhibit 1 for CO Group EHB Rate Filing	07/22/2013	CO Exhibit 1 for CO Group EHB Rate Filing.pdf (Superceded)
07/05/2013		Rate	Exhibit 1 for Group SUPP Rate Filing	07/22/2013	CO Exhibit 1 for CO Group Supp Rate Filing.pdf (Superceded)
07/05/2013		Supporting Document	Actuarial Material	07/22/2013	CO Actuarial Memo HCR - CO (EHB Group).pdf (Superceded) CO Actuarial Memo HCR - CO (Supp Group).pdf (Superceded) CO Exhibit 1 for CO Group EHB Rate Filing.pdf (Superceded) CO Exhibit 1 for CO Group Supp Rate Filing.pdf (Superceded)

Actuarial Memorandum

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Child Only policies effective January 1, 2014. The development of these rates is intended to maintain consistency with our Group Dental rate manual. As these rates are being developed for new contracts, there is no premium history, prior experience, or loss ratios to report.

The majority of rating factors and pricing assumptions used in determining our proposed rates are consistent with those currently used for Group business in the state of Colorado. Our Group Dental rates in Colorado are updated on a quarterly basis and submitted to the state of Colorado as part of our state rate filing.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

The premium rates for these plans vary by geography and plan design.

The forms associated with this filing are as follows:

- GC-EHB-SHOP-13-CO
- SCH1-EHB-PPOHIGH-SHOP-CO
- SCH2-EHB-PPOLOW-SHOP-CO

These policies will be guaranteed renewable.

The benefits in these policies are only available to members under the age of 19. There is no limit to the issue age range and the premiums will be charged on an attained age basis.

Please see the attached Exhibit 1 (EHB) for the description of benefits.

B. Assumption or Acquisition

The products included in this rate filing were not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2014 to 12/31/2014.

D. Effect of Law Changes

This filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

E. Rate History

As this filing is applicable to new products, there is no rate history. However, attached is a rate history of our Group Dental manual rates for both Colorado and Nationwide since August 2009.

Colorado

SERFF Tracking Number	Effective Date	Minimum Change	Average Change	Maximum Change	Cumulative for past 12 Months
GARD-126236921	8/1/2009	1.20%	1.20%	1.20%	3.65%
GARD-126325845	11/1/2009	-0.30%	-0.30%	-0.30%	2.01%
GARD-126436583	1/1/2010	1.90%	1.90%	1.90%	3.53%
GARD-126587002	6/15/2010	3.50%	3.50%	3.50%	6.41%
GARD-126804616	12/1/2010	-0.53%	-0.53%	-0.53%	6.48%
GARD-127010132	4/1/2011	-1.97%	-1.97%	-1.97%	3.97%
GARD-128050999	4/1/2012	-12.16%	-2.53%	8.04%	1.92%
GARD-128529058	9/1/2012	-4.36%	-0.65%	3.42%	-0.24%
GARD-128709700	12/1/2012	-8.09%	-0.20%	15.45%	-1.91%
GARD-128829387	3/1/2013	-0.35%	1.25%	3.23%	-2.15%
GARD-128956658	6/1/2013	-2.66%	0.00%	3.62%	0.39%

Nationwide

Effective Date	Average Change	Cumulative for past 12 Months
1/1/2011	0.40%	4.41%
4/1/2011	0.65%	2.93%
7/1/2011	0.76%	2.99%
9/1/2011	-0.10%	1.72%
1/1/2012	1.00%	2.33%
4/1/2012	1.53%	3.22%
7/1/2012	1.12%	3.59%
10/1/2012	-0.20%	3.49%
1/1/2013	1.25%	3.74%
4/1/2013	0.00%	2.18%

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

These plans were priced with an expected loss ratio of 65%. The remaining 35% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

Components of Retention	% Premium
Sales / Commissions	8.9%
Administration	13.4%
Premium Tax	2.7%
ACA Health Insurer Fee	2.6%
Exchange Fee	1.4%
Federal Income Tax	3.0%
Profit	3.0%
Aggregate	35.0%

H. Provision for Profit and Contingencies

Guardian's profit margin is 3.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

Starting Claims Cost – The average 2011 Child Only claims cost per procedure (excluding Ortho) was used to develop starting claim costs for a 100/80/50 Dental plan and an Annual Maximum of \$1,300. This plan design represents the average amount of coverage for our nationwide in-force Group Dental block of business.

Existing claim costs by service code were adjusted to align with the services covered under policy form GC-EHB-SHOP-13-CO. This resulted in a starting claim cost by service category (excluding Ortho).

These nationwide starting claim costs were adjusted for trend and rating region as follows.

Trend Adjustment – Since 2011 claims data was used for the pricing analysis, the starting claims cost per Child net of coinsurance was trended by 1.5% for two years (retrospective trend) plus 5% annually for one year for a total of 8%.

Area Adjustments – We adjust for expected cost and utilization differences by region using the area factors included in our filed Group Rating Manual. Colorado defined 11 rating regions as shown in the supporting exhibit. Using our Group Rate Manual, we calculated the ratio of the area factor for each CO rating region to the nationwide average area factor. The resulting relationship factors are as follows:

Region	1	2	3	4	5	6	7	8	9	10	11
Area Factor	1.051	1.048	1.030	0.983	0.974	0.983	0.974	1.013	0.974	0.981	0.976

The methodology for determining Area Factors in our Group Rate Manual is as follows. We analyze experience by rating area. Claims are pro-rated such that the overall effect of the area factor changes will be close to rate neutral. Areas where the theoretical change in premium is more than 2% are candidates for a change in area factor. In general, the actual change made is about half the theoretical change, adjusting rates gradually over time rather than potentially over-compensating.

This result was then multiplied by the annual number of procedures per child for each service category. This allowed us to convert starting claims cost per procedure to starting claims cost per Child for each service category.

Network Adjustment – Our network discount assumptions from our currently filed Group PPO Factors were used to adjust for discounts on in-network claims. Out-of-network claims will be reimbursed at the in-network fee schedule for policy form GC-EHB-SHOP-13-CO.

Unlimited Max Adjustment – We are estimating that an unlimited maximum on Child Only Dental claims is worth a load of 2.5% vs. an annual maximum of \$1,300. This load was applied to the claims cost per Child. This load was based on a consultant’s claim continuance table.

Deductible Adjustment – The expected cost reduction of the deductible was priced at 26% of the deductible amount when waived for preventive services. When the deductible was not waived for preventive services, the expected cost reduction was priced at 66% of the deductible amount. These percentages assume that 26% of covered children receive Basic or Major services and 66% receive any Dental service in a given year. It also assumes the deductible will be less than any allowable charge.

Coinsurance Adjustments – Our currently filed Group coinsurance adjustment factors, which vary by service category, were applied to the resulting claims cost per Child for each service category. These coinsurance adjustment factors account for both cost and utilization.

Out-of-Pocket Maximum – This coverage includes an Out-of-Pocket maximum benefit which pays 100% of in network covered services after the insured child has reached \$700 of in-network out of pocket claim costs. We account for this additional cost in two ways. First, we assume that 1.8% of children are under Medically Necessary Orthodontia treatment in any given year. These children will incur out of pocket costs of \$700 for Orthodontia so all in network non-Orthodontia claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out of pocket expenses for non-Orthodontia treatments. Using a consultant’s claim

continuance curve, we estimated the cost of the benefits above the threshold. Both of these extra costs were added to the claim costs for each service category.

In-Network Utilization – Our in-network utilization assumptions from our currently filed Group PPO Factors were used to blend the in-network and out-of-network net Child claims costs.

Ortho Rating Methodology

In-Network Starting Claims Cost – We expect the charge for medically necessary orthodontia treatment to be in line with our 36-month fee schedule reimbursement schedule.

We estimate that 0.90% of covered Children will require a medically necessary Orthodontia treatment. This is based on a 3% assumption of Children having an orthodontia claim coupled with a 30% assumption of orthodontia treatments expected to be medically necessary.

Network Adjustment – We assumed that our orthodontia fee schedule was discounted 25% vs. out-of-network orthodontia charges.

Out-of-Network Starting Claims Cost – The network adjustment was backed out of the In-Network Starting Claims Cost to derive the Out-of-Network Starting Claims Cost.

Coinsurance Adjustments – For the PPO High and PPO Low plans, an adjustment of 50% was applied to the in-network starting claims cost and an adjustment of 30% was applied to out-of-network claims costs.

OOP Max Adjustment – The average in-network orthodontia charge was split into 8 quarterly payments to calculate Guardian's expected payment net of the annual out-of-pocket maximum.

In-Network Utilization – Our in-network utilization assumption for pediatric orthodontia coverage was assumed to be 95%. This was used to blend the in-network claim costs net of coinsurance and the out-of-pocket maximum with the out-of-network starting claim costs.

Other Adjustments

On November 20, 2012, CMS published CMS Form Number: CMS-10433: Initial Plan Data Collection to Support QHP Certification and other Financial Management and Exchange Operations. A part of the collection of this data will be in the form of templates intended to create a nationwide standard of plan- and issuer-level data collection for the use of QHP certification, exchange operations, and oversight activities.

Three or More Children:

In order to complete the rates template for Stand-Alone Dental Products, we are required to enter an individual per Child rate that would be multiplied by the number of children, capping at three for employees with three or more children.

In order to avoid deficiency in our rates for groups with three or more children, we are applying an adjustment of 1.05 to our individual per Child rate submitted in the rates template.

Final Rates

The net Dental and Orthodontia claims costs are added together to determine the overall Child Only claims cost. We are estimating average morbidity will be similar to what we assume for a 25 life group. The overall cost is then divided by a TLR assumption of 65% in order to produce the premium rates for the PPO High and PPO Low plans. Please refer to Exhibit I for the plan designs and premium rates. The actuarial values of the PPO High and PPO Low plans are 85.4% and 68.8%, respectively.

We are also filing our current nationwide quarterly dental trend factor of 1.25%, which is intended to keep premium rates from lagging behind anticipated increases in dental claims costs. This quarterly rate increase will impact premium rates only on policyholder anniversaries.

Rate Development Exhibit

Exhibit 2 contains a derivation of each region's premium rate demonstrating the impact of the adjustments described above.

J. Trend

The annual trend assumption utilized in pricing is 5.0%. This reflects our best estimate of our long term claim cost trend.

K. Credibility

The Guardian's Colorado business meets the Colorado standard for full credibility. We have over 2,000 life years for each of the last 3 years.

L. Data Requirements

Since this is a filing of a new product, no prior history is available. However, attached below is a demonstration of Guardian's Group Dental block for groups with under 50 employees for both Colorado and nationwide.

Colorado (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	360	\$4,076,736	\$2,685,396	65.9%	5,149
2011	340	\$3,890,407	\$2,487,158	63.9%	4,583
2012	336	\$3,835,956	\$2,372,161	61.8%	4,413

Nationwide (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	49,376	\$511,462,063	\$327,411,762	64.0%	618,547
2011	49,734	\$517,199,782	\$325,462,794	62.9%	614,126
2012	50,537	\$528,171,678	\$328,482,103	62.2%	620,707

M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Other Factors

O. Rate Manual

The rates associated with this filing are static rates that only vary by geographic area as demonstrated in Exhibit 1. The derivation of the rates is shown in Exhibit 2.

P. Benefits Ratio Projection

While these are new products and no experience exists, the exhibit below demonstrates the projected benefits ratio, over the rating period.

	Premiums	Incurred Claims	Benefits Ratio
Projected Experience Without Rate Change	\$260,000	\$169,000	65%
Projected Experience With Rate Change	\$260,000	\$169,000	65%

Actuarial Value

The following is a demonstration of the actuarial values associated with the pediatric EHB included in this filing.

Actuarial values reflect the expected average share of allowed health spending that is paid for by the plan. This was calculated by comparing the amount a child would pay for a market basket of services covered in Colorado to the Allowed / Fee Schedule in Colorado for that same service. Each service was weighted by the frequency of occurrence.

For the High EHB Plan, the total Allowed / Fee Schedule for all services in Colorado is \$324.24 (“Market Basket for Colorado”). There is no deductible for the High Plan, so this value is the same for “Claims After Deductible”. The coinsurance for this plan is 100% / 80% / 50%, which decreases Guardian’s costs to \$276.31. However, the anticipated increase in costs due to the OOP Maximum is \$1.68. This brings the total Guardian cost to \$277.99. Therefore, the Actuarial Value for the High Plan is as follows:

- Value of Cost Sharing (Member Cost) = \$46.25
- Value of Allowed / Fee Schedule = \$324.24
- Actuarial Value = $1 - \$46.25 / \$324.24 = 85.7\%$

High EHB Plan					
Category of Service	Market Basket for Colorado	Claims After In Network Deductible	Claims After In Network Coinsurance	Claims After OOP Max	Member Cost
Preventive (100%)	\$149.49	\$149.49	\$149.49	\$149.49	\$0.00
Basic (80%)	\$77.05	\$77.05	\$61.64	\$62.01	\$15.04
Major (50%)	\$39.83	\$39.83	\$19.92	\$21.23	\$18.61
Non-Ortho	\$266.38	\$266.38	\$231.05	\$232.73	\$33.65
Ortho	\$57.86	\$57.86	\$45.26	\$45.26	\$12.60
Total	\$324.24	\$324.24	\$276.31	\$277.99	\$46.25
Actuarial Value (= 1 - Member Cost / Market Basket = 1 - 46.25 / 324.24) ----->>>>>					85.7%

Low EHB Plan					
Category of Service	Market Basket for Colorado	Claims After In Network Deductible	Claims After In Network Coinsurance	Claims After OOP Max	Member Cost
Preventive (90%)	\$149.49	\$149.49	\$130.66	\$130.99	\$18.51
Basic (70%)	\$77.05	\$52.55	\$35.42	\$36.59	\$40.46
Major (40%)	\$39.83	\$38.03	\$13.50	\$17.37	\$22.46
Non-Ortho	\$266.38	\$240.08	\$179.58	\$184.95	\$81.43
Ortho	\$57.86	\$57.86	\$45.26	\$45.26	\$12.60
Total	\$324.24	\$297.94	\$224.84	\$230.21	\$94.03
Actuarial Value (= 1 - Member Cost / Market Basket = 1 - 94.03 / 324.24) ----->>>>>					71.0%

Actuarial Certification

I, Anthony J. Tobia, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This actuarial memorandum has been prepared for the sole purpose of demonstrating the proposed rate schedules are reasonable and this memorandum may not be appropriate for other purposes.

In my opinion, the premium rates and rating methodology to which this certification applies are neither excessive, inadequate nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of Colorado. The premium and rating methodology to which this certification applies conforms to all applicable Actuarial Standards of Practice, including ASOP no. 8.

I am of the opinion that this filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

I certify that the Actuarial Values of the EHB plans are 85.7% for the High Plan and 71.0% for the Low Plan as determined using generally accepted actuarial principles.



Anthony J. Tobia, FSA, MAAA
Associate Actuary
Group Products - Actuarial

7/30/2013
Date

Actuarial Memorandum

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Supplemental policies effective January 1, 2014. The development of these rates is intended to maintain consistency with our Group Dental rate manual. As these rates are being developed for new contracts, there is no premium history, prior experience, or loss ratios to report.

The benefits included in these policies cover subscribers and their dependents. The Pediatric Dental Essential Health Benefit is included for those members under age 19.

The majority of rating factors and pricing assumptions used in determining our proposed rates are consistent with those currently used for Group business in the state of Colorado. Our Group Dental rates in Colorado are updated on a quarterly basis and submitted to the state of Colorado as part of our state rate filing.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

The premium rates for these plans vary by geography, age, and plan design. There is no limit to the issue age range and the premiums will be charged on an attained age basis.

The forms associated with this filing are as follows:

- SCH1-SUPP-PPOHIGHORTH-SHOP-CO
- SCH2-SUPP-PPOHIGH-SHOP-CO
- SCH3-SUPP-PPLOWORTH-SHOP-CO
- SCH4-SUPP-PPLOW-SHOP-CO

These policies will be guaranteed renewable.

Please see the attached Exhibit 1 (Supp) for the description of benefits.

B. Assumption or Acquisition

The products included in this rate filing were not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2013 to 3/31/2014.

D. Effect of Law Changes

There is no impact to rates due to changes in laws or regulations

E. Rate History

As this filing is applicable to new products, there is no rate history. However, attached is a rate history of our Group Dental manual rates for both Colorado and Nationwide since August 2009.

Colorado

SERFF Tracking Number	Effective Date	Minimum Change	Average Change	Maximum Change	Cumulative for past 12 Months
GARD-126236921	8/1/2009	1.20%	1.20%	1.20%	3.65%
GARD-126325845	11/1/2009	-0.30%	-0.30%	-0.30%	2.01%
GARD-126436583	1/1/2010	1.90%	1.90%	1.90%	3.53%
GARD-126587002	6/15/2010	3.50%	3.50%	3.50%	6.41%
GARD-126804616	12/1/2010	-0.53%	-0.53%	-0.53%	6.48%
GARD-127010132	4/1/2011	-1.97%	-1.97%	-1.97%	3.97%
GARD-128050999	4/1/2012	-12.16%	-2.53%	8.04%	1.92%
GARD-128529058	9/1/2012	-4.36%	-0.65%	3.42%	-0.24%
GARD-128709700	12/1/2012	-8.09%	-0.20%	15.45%	-1.91%
GARD-128829387	3/1/2013	-0.35%	1.25%	3.23%	-2.15%
GARD-128956658	6/1/2013	-2.66%	0.00%	3.62%	0.39%

Nationwide

Effective Date	Average Change	Cumulative for past 12 Months
1/1/2011	0.40%	4.41%
4/1/2011	0.65%	2.93%
7/1/2011	0.76%	2.99%
9/1/2011	-0.10%	1.72%
1/1/2012	1.00%	2.33%
4/1/2012	1.53%	3.22%
7/1/2012	1.12%	3.59%
10/1/2012	-0.20%	3.49%
1/1/2013	1.25%	3.74%
4/1/2013	0.00%	2.18%

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

These plans were priced with an expected loss ratio of 65%. The remaining 35% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

Components of Retention	% Premium
Sales / Commissions	8.9%
Administration	13.4%
Premium Tax	2.7%
ACA Health Insurer Fee	2.6%
Exchange Fee	1.4%
Federal Income Tax	3.0%
Profit	3.0%
Aggregate	35.0%

H. Provision for Profit and Contingencies

Guardian's profit margin is 4.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

We used our Group rate manual effective 1/1/2013, to develop a 4-tier rate for a 100/80/50 passive PPO plan design for group sizes 16-49. These rates assume an annual maximum of \$1,000.

In order to derive expected non-Orthodontia claim costs for the four plans, we extracted claims from the manual rates above and applied factors from our rate manual to reflect the plan designs depicted in the Supplemental schedules referenced above. The adjustments accounted for:

- Area
- Coinsurance
- Deductible
- Annual Maximum
- Moved or Non-Covered Services
- Out of Network claims which will be reimbursed at the in-network fee schedule
- Any associated network impacts (utilization, redirection) resulting from the new plan design

- 5% Annual Trend

We are estimating average morbidity will be similar to what we assume for a 25 life group.

The result was a four-tier rate (Individual, Individual + Spouse, Individual + Children, Family) for each of Colorado's 11 rating areas consistent with our rate manual.

Final Rates

For Exchange business, we are setting the Adult (ages 19+) rate equal to the Individual rate from our Group Rate Manual. The Child rate (ages 0-18) for the products being filed is equal to the Pediatric EHB rate derived in our EHB Only rate filing.

All four products include coverage for Medically Necessary Orthodontia. However, we also are filing two plan Supplemental plan designs that cover non-Medically Necessary Orthodontia for children ("with Ortho" options). For these products, the rate for ages 0-18 is equal to the pediatric EHB rate derived in our EHB Only rate filing plus an additional premium for the non-Medically Necessary Orthodontia component. For that, we used our current rate manual to calculate an expected Orthodontia claim cost for the plan designs depicted in the Supplemental schedules referenced above for each of Colorado's 11 rating areas. Since we estimate that 30% of Orthodontia is Medically Necessary and included as part of the Essential Health Benefits, we calculate the cosmetic Orthodontia benefit cost as 70% of the amount derived by our rate manual.

Please refer to Exhibit I for the plan designs and premium rates.

We are also filing our current nationwide quarterly dental trend factor of 1.25%, which is intended to keep premium rates from lagging behind anticipated increases in dental claims costs. This quarterly rate increase will impact premium rates only on policyholder anniversaries.

J. Trend

The annual trend assumption utilized in pricing is 5.0%. This reflects our best estimate of our long term claim cost trend.

K. Credibility

The Guardian's Colorado business meets the Colorado standard for full credibility. We have over 2,000 life years for each of the last 3 years.

L. Data Requirements

Since this is a filing of a new product, no prior history is available. However, attached below is a demonstration of Guardian's Group Dental block for groups with under 50 employees for both Colorado and nationwide.

Colorado (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	360	\$4,076,736	\$2,685,396	65.9%	5,149
2011	340	\$3,890,407	\$2,487,158	63.9%	4,583
2012	336	\$3,835,956	\$2,372,161	61.8%	4,413

Nationwide (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	49,376	\$511,462,063	\$327,411,762	64.0%	618,547
2011	49,734	\$517,199,782	\$325,462,794	62.9%	614,126
2012	50,537	\$528,171,678	\$328,482,103	62.2%	620,707

M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Other Factors

O. Rate Manual

The rates associated with this filing are static rates that only vary by geographic area as demonstrated in Exhibit 1.

P. Benefits Ratio Projection

While these are new products and no experience exists, the exhibit below demonstrates the projected benefits ratio, over the rating period.

	Premiums	Incurred Claims	Benefits Ratio
Projected Experience Without Rate Change	\$260,000	\$169,000	65%
Projected Experience With Rate Change	\$260,000	\$169,000	65%

Actuarial Certification

I, Anthony J. Tobia, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This actuarial memorandum has been prepared for the sole purpose of demonstrating the proposed rate schedules are reasonable and this memorandum may not be appropriate for other purposes.

In my opinion, the premium rates and rating methodology to which this certification applies are neither excessive, inadequate nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of Colorado. The premium and rating methodology to which this certification applies conforms to all applicable Actuarial Standards of Practice, including ASOP no. 8.

I am of the opinion that this filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

I certify that the Actuarial Values of the included pediatric EHB benefits are 85.7% for the High Plan and 71.0% for the Low Plan as determined using generally accepted actuarial principles.



Anthony J. Tobia, FSA, MAAA
Associate Actuary
Group Products - Actuarial

7/26/2013

Date

Actuarial Memorandum

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Child Only policies effective January 1, 2014. The development of these rates is intended to maintain consistency with our Group Dental rate manual. As these rates are being developed for new contracts, there is no premium history, prior experience, or loss ratios to report.

The majority of rating factors and pricing assumptions used in determining our proposed rates are consistent with those currently used for Group business in the state of Colorado. Our Group Dental rates in Colorado are updated on a quarterly basis and submitted to the state of Colorado as part of our state rate filing.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

The premium rates for these plans vary by geography and plan design.

The forms associated with this filing are as follows:

- GC-EHB-SHOP-13-CO
- SCH1-EHB-PPOHIGH-SHOP-CO
- SCH2-EHB-PPLOW-SHOP-CO

These policies will be guaranteed renewable.

The benefits in these policies are only available to members under the age of 19. There is no limit to the issue age range and the premiums will be charged on an attained age basis.

Please see the attached Exhibit 1 (EHB) for the description of benefits.

B. Assumption or Acquisition

The products included in this rate filing were not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2014 to 12/31/2014.

D. Effect of Law Changes

This filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

E. Rate History

As this filing is applicable to new products, there is no rate history. However, attached is a rate history of our Group Dental manual rates for both Colorado and Nationwide since August 2009.

Colorado

SERFF Tracking Number	Effective Date	Minimum Change	Average Change	Maximum Change	Cumulative for past 12 Months
GARD-126236921	8/1/2009	1.20%	1.20%	1.20%	3.65%
GARD-126325845	11/1/2009	-0.30%	-0.30%	-0.30%	2.01%
GARD-126436583	1/1/2010	1.90%	1.90%	1.90%	3.53%
GARD-126587002	6/15/2010	3.50%	3.50%	3.50%	6.41%
GARD-126804616	12/1/2010	-0.53%	-0.53%	-0.53%	6.48%
GARD-127010132	4/1/2011	-1.97%	-1.97%	-1.97%	3.97%
GARD-128050999	4/1/2012	-12.16%	-2.53%	8.04%	1.92%
GARD-128529058	9/1/2012	-4.36%	-0.65%	3.42%	-0.24%
GARD-128709700	12/1/2012	-8.09%	-0.20%	15.45%	-1.91%
GARD-128829387	3/1/2013	-0.35%	1.25%	3.23%	-2.15%
GARD-128956658	6/1/2013	-2.66%	0.00%	3.62%	0.39%

Nationwide

Effective Date	Average Change	Cumulative for past 12 Months
1/1/2011	0.40%	4.41%
4/1/2011	0.65%	2.93%
7/1/2011	0.76%	2.99%
9/1/2011	-0.10%	1.72%
1/1/2012	1.00%	2.33%
4/1/2012	1.53%	3.22%
7/1/2012	1.12%	3.59%
10/1/2012	-0.20%	3.49%
1/1/2013	1.25%	3.74%
4/1/2013	0.00%	2.18%

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

These plans were priced with an expected loss ratio of 65%. The remaining 35% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

Components of Retention	% Premium
Sales / Commissions	8.9%
Administration	13.4%
Premium Tax	2.7%
ACA Health Insurer Fee	2.6%
Exchange Fee	1.4%
Federal Income Tax	3.0%
Profit	3.0%
Aggregate	35.0%

H. Provision for Profit and Contingencies

Guardian's profit margin is 3.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

Starting Claims Cost – The average 2011 Child Only claims cost per procedure (excluding Ortho) was used to develop starting claim costs for a 100/80/50 Dental plan and an Annual Maximum of \$1,300. This plan design represents the average amount of coverage for our nationwide in-force Group Dental block of business.

Existing claim costs by service code were adjusted to align with the services covered under policy form GC-EHB-SHOP-13-CO. This resulted in a starting claim cost by service category (excluding Ortho).

These nationwide starting claim costs were adjusted for trend and rating region as follows.

Trend Adjustment – Since 2011 claims data was used for the pricing analysis, the starting claims cost per Child net of coinsurance was trended by 1.5% for two years (retrospective trend) plus 5% annually for one year for a total of 8%.

Area Adjustments – We adjust for expected cost and utilization differences by region using the area factors included in our filed Group Rating Manual. Colorado defined 11 rating regions as shown in the supporting exhibit. Using our Group Rate Manual, we calculated the ratio of the area factor for each CO rating region to the nationwide average area factor. The resulting relationship factors are as follows:

Region	1	2	3	4	5	6	7	8	9	10	11
Area Factor	1.051	1.048	1.030	0.983	0.974	0.983	0.974	1.013	0.974	0.981	0.976

The methodology for determining Area Factors in our Group Rate Manual is as follows. We analyze experience by rating area. Claims are pro-rated such that the overall effect of the area factor changes will be close to rate neutral. Areas where the theoretical change in premium is more than 2% are candidates for a change in area factor. In general, the actual change made is about half the theoretical change, adjusting rates gradually over time rather than potentially over-compensating.

This result was then multiplied by the annual number of procedures per child for each service category. This allowed us to convert starting claims cost per procedure to starting claims cost per Child for each service category.

Network Adjustment – Our network discount assumptions from our currently filed Group PPO Factors were used to adjust for discounts on in-network claims. Out-of-network claims will be reimbursed at the in-network fee schedule for policy form GC-EHB-SHOP-13-CO.

Unlimited Max Adjustment – We are estimating that an unlimited maximum on Child Only Dental claims is worth a load of 2.5% vs. an annual maximum of \$1,300. This load was applied to the claims cost per Child. This load was based on a consultant’s claim continuance table.

Deductible Adjustment – The expected cost reduction of the deductible was priced at 26% of the deductible amount when waived for preventive services. When the deductible was not waived for preventive services, the expected cost reduction was priced at 66% of the deductible amount. These percentages assume that 26% of covered children receive Basic or Major services and 66% receive any Dental service in a given year. It also assumes the deductible will be less than any allowable charge.

Coinsurance Adjustments – Our currently filed Group coinsurance adjustment factors, which vary by service category, were applied to the resulting claims cost per Child for each service category. These coinsurance adjustment factors account for both cost and utilization.

Out-of-Pocket Maximum – This coverage includes an Out-of-Pocket maximum benefit which pays 100% of in network covered services after the insured child has reached \$700 of in-network out of pocket claim costs. We account for this additional cost in two ways. First, we assume that 1.8% of children are under Medically Necessary Orthodontia treatment in any given year. These children will incur out of pocket costs of \$700 for Orthodontia so all in network non-Orthodontia claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out of pocket expenses for non-Orthodontia treatments. Using a consultant’s claim

continuance curve, we estimated the cost of the benefits above the threshold. Both of these extra costs were added to the claim costs for each service category.

In-Network Utilization – Our in-network utilization assumptions from our currently filed Group PPO Factors were used to blend the in-network and out-of-network net Child claims costs.

Ortho Rating Methodology

In-Network Starting Claims Cost – We expect the charge for medically necessary orthodontia treatment to be in line with our 36-month fee schedule reimbursement schedule.

We estimate that 0.90% of covered Children will require a medically necessary Orthodontia treatment. This is based on a 3% assumption of Children having an orthodontia claim coupled with a 30% assumption of orthodontia treatments expected to be medically necessary.

Network Adjustment – We assumed that our orthodontia fee schedule was discounted 25% vs. out-of-network orthodontia charges.

Out-of-Network Starting Claims Cost – The network adjustment was backed out of the In-Network Starting Claims Cost to derive the Out-of-Network Starting Claims Cost.

Coinsurance Adjustments – For the PPO High and PPO Low plans, an adjustment of 50% was applied to the in-network starting claims cost and an adjustment of 30% was applied to out-of-network claims costs.

OOP Max Adjustment – The average in-network orthodontia charge was split into 8 quarterly payments to calculate Guardian's expected payment net of the annual out-of-pocket maximum.

In-Network Utilization – Our in-network utilization assumption for pediatric orthodontia coverage was assumed to be 95%. This was used to blend the in-network claim costs net of coinsurance and the out-of-pocket maximum with the out-of-network starting claim costs.

Other Adjustments

On November 20, 2012, CMS published CMS Form Number: CMS-10433: Initial Plan Data Collection to Support QHP Certification and other Financial Management and Exchange Operations. A part of the collection of this data will be in the form of templates intended to create a nationwide standard of plan- and issuer-level data collection for the use of QHP certification, exchange operations, and oversight activities.

Three or More Children:

In order to complete the rates template for Stand-Alone Dental Products, we are required to enter an individual per Child rate that would be multiplied by the number of children, capping at three for employees with three or more children.

In order to avoid deficiency in our rates for groups with three or more children, we are applying an adjustment of 1.05 to our individual per Child rate submitted in the rates template.

Final Rates

The net Dental and Orthodontia claims costs are added together to determine the overall Child Only claims cost. We are estimating average morbidity will be similar to what we assume for a 25 life group. The overall cost is then divided by a TLR assumption of 65% in order to produce the premium rates for the PPO High and PPO Low plans. Please refer to Exhibit I for the plan designs and premium rates. The actuarial values of the PPO High and PPO Low plans are 85.4% and 68.8%, respectively.

We are also filing our current nationwide quarterly dental trend factor of 1.25%, which is intended to keep premium rates from lagging behind anticipated increases in dental claims costs. This quarterly rate increase will impact premium rates only on policyholder anniversaries.

Rate Development Exhibit

Exhibit 2 contains a derivation of each region's premium rate demonstrating the impact of the adjustments described above.

J. Trend

The annual trend assumption utilized in pricing is 5.0%. This reflects our best estimate of our long term claim cost trend.

K. Credibility

The Guardian's Colorado business meets the Colorado standard for full credibility. We have over 2,000 life years for each of the last 3 years.

L. Data Requirements

Since this is a filing of a new product, no prior history is available. However, attached below is a demonstration of Guardian's Group Dental block for groups with under 50 employees for both Colorado and nationwide.

Colorado (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	360	\$4,076,736	\$2,685,396	65.9%	5,149
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Nationwide (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	49,376	\$511,462,063	\$327,411,762	64.0%	618,547
2011	49,734	\$517,199,782	\$325,462,794	62.9%	614,126
2012	50,537	\$528,171,678	\$328,482,103	62.2%	620,707

M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Other Factors

O. Rate Manual

The rates associated with this filing are static rates that only vary by geographic area as demonstrated in Exhibit 1. The derivation of the rates is shown in Exhibit 2.

P. Benefits Ratio Projection

While these are new products and no experience exists, the exhibit below demonstrates the projected benefits ratio, over the rating period.

	Premiums	Incurred Claims	Benefits Ratio
Projected Experience Without Rate Change	\$260,000	\$169,000	65%
Projected Experience With Rate Change	\$260,000	\$169,000	65%

Actuarial Value

The following is a demonstration of the actuarial values associated with the pediatric EHB included in this filing.

Actuarial values reflect the expected average share of allowed health spending that is paid for by the plan. This was calculated by comparing the amount a child would pay for a market basket of services covered in Colorado to the Allowed / Fee Schedule in Colorado for that same service. Each service was weighted by the frequency of occurrence.

For the High EHB Plan, the total Allowed / Fee Schedule for all services in Colorado is \$324.24 (“Market Basket for Colorado”). There is no deductible for the High Plan, so this value is the same for “Claims After Deductible”. The coinsurance for this plan is 100% / 80% / 50%, which decreases Guardian’s costs to \$276.31. However, the anticipated increase in costs due to the OOP Maximum is \$1.68. This brings the total Guardian cost to \$277.99. Therefore, the Actuarial Value for the High Plan is as follows:

- Value of Cost Sharing (Member Cost) = \$46.25
- Value of Allowed / Fee Schedule = \$324.24
- Actuarial Value = $1 - \$46.25 / \$324.24 = 85.7\%$

High EHB Plan					
Category of Service	Market Basket for Colorado	Claims After In Network Deductible	Claims After In Network Coinsurance	Claims After OOP Max	Member Cost
Preventive (100%)	\$149.49	\$149.49	\$149.49	\$149.49	\$0.00
Basic (80%)	\$77.05	\$77.05	\$61.64	\$62.01	\$15.04
Major (50%)	\$39.83	\$39.83	\$19.92	\$21.23	\$18.61
Non-Ortho	\$266.38	\$266.38	\$231.05	\$232.73	\$33.65
Ortho	\$57.86	\$57.86	\$45.26	\$45.26	\$12.60
Total	\$324.24	\$324.24	\$276.31	\$277.99	\$46.25
Actuarial Value (= 1 - Member Cost / Market Basket = 1 - 46.25 / 324.24) ----->>>>>					85.7%

Low EHB Plan					
Category of Service	Market Basket for Colorado	Claims After In Network Deductible	Claims After In Network Coinsurance	Claims After OOP Max	Member Cost
Preventive (90%)	\$149.49	\$149.49	\$130.66	\$130.99	\$18.51
Basic (70%)	\$77.05	\$52.55	\$35.42	\$36.59	\$40.46
Major (40%)	\$39.83	\$38.03	\$13.50	\$17.37	\$22.46
Non-Ortho	\$266.38	\$240.08	\$179.58	\$184.95	\$81.43
Ortho	\$57.86	\$57.86	\$45.26	\$45.26	\$12.60
Total	\$324.24	\$297.94	\$224.84	\$230.21	\$94.03
Actuarial Value (= 1 - Member Cost / Market Basket = 1 - 94.03 / 324.24) ----->>>>>					71.0%

Actuarial Certification

I, Anthony J. Tobia, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This actuarial memorandum has been prepared for the sole purpose of demonstrating the proposed rate schedules are reasonable and this memorandum may not be appropriate for other purposes.

In my opinion, the premium rates and rating methodology to which this certification applies are neither excessive, inadequate nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of Colorado. The premium and rating methodology to which this certification applies conforms to all applicable Actuarial Standards of Practice, including ASOP no. 8.

I am of the opinion that this filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

I certify that the Actuarial Values of the EHB plans are 85.7% for the High Plan and 71.0% for the Low Plan as determined using generally accepted actuarial principles.



Anthony J. Tobia, FSA, MAAA
Associate Actuary
Group Products - Actuarial

7/30/2013
Date

Actuarial Memorandum

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Supplemental policies effective January 1, 2014. The development of these rates is intended to maintain consistency with our Group Dental rate manual. As these rates are being developed for new contracts, there is no premium history, prior experience, or loss ratios to report.

The benefits included in these policies cover subscribers and their dependents. The Pediatric Dental Essential Health Benefit is included for those members under age 19.

The majority of rating factors and pricing assumptions used in determining our proposed rates are consistent with those currently used for Group business in the state of Colorado. Our Group Dental rates in Colorado are updated on a quarterly basis and submitted to the state of Colorado as part of our state rate filing.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

The premium rates for these plans vary by geography, age, and plan design. There is no limit to the issue age range and the premiums will be charged on an attained age basis.

The forms associated with this filing are as follows:

- SCH1-SUPP-PPOHIGHORTH-SHOP-CO
- SCH2-SUPP-PPOHIGH-SHOP-CO
- SCH3-SUPP-PPLOWORTH-SHOP-CO
- SCH4-SUPP-PPLOW-SHOP-CO

These policies will be guaranteed renewable.

Please see the attached Exhibit 1 (Supp) for the description of benefits.

B. Assumption or Acquisition

The products included in this rate filing were not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2013 to 3/31/2014.

D. Effect of Law Changes

There is no impact to rates due to changes in laws or regulations

E. Rate History

As this filing is applicable to new products, there is no rate history. However, attached is a rate history of our Group Dental manual rates for both Colorado and Nationwide since August 2009.

Colorado

SERFF Tracking Number	Effective Date	Minimum Change	Average Change	Maximum Change	Cumulative for past 12 Months
GARD-126236921	8/1/2009	1.20%	1.20%	1.20%	3.65%
GARD-126325845	11/1/2009	-0.30%	-0.30%	-0.30%	2.01%
GARD-126436583	1/1/2010	1.90%	1.90%	1.90%	3.53%
GARD-126587002	6/15/2010	3.50%	3.50%	3.50%	6.41%
GARD-126804616	12/1/2010	-0.53%	-0.53%	-0.53%	6.48%
GARD-127010132	4/1/2011	-1.97%	-1.97%	-1.97%	3.97%
GARD-128050999	4/1/2012	-12.16%	-2.53%	8.04%	1.92%
GARD-128529058	9/1/2012	-4.36%	-0.65%	3.42%	-0.24%
GARD-128709700	12/1/2012	-8.09%	-0.20%	15.45%	-1.91%
GARD-128829387	3/1/2013	-0.35%	1.25%	3.23%	-2.15%
GARD-128956658	6/1/2013	-2.66%	0.00%	3.62%	0.39%

Nationwide

Effective Date	Average Change	Cumulative for past 12 Months
1/1/2011	0.40%	4.41%
4/1/2011	0.65%	2.93%
7/1/2011	0.76%	2.99%
9/1/2011	-0.10%	1.72%
1/1/2012	1.00%	2.33%
4/1/2012	1.53%	3.22%
7/1/2012	1.12%	3.59%
10/1/2012	-0.20%	3.49%
1/1/2013	1.25%	3.74%
4/1/2013	0.00%	2.18%

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

These plans were priced with an expected loss ratio of 65%. The remaining 35% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

Components of Retention	% Premium
Sales / Commissions	8.9%
Administration	13.4%
Premium Tax	2.7%
ACA Health Insurer Fee	2.6%
Exchange Fee	1.4%
Federal Income Tax	3.0%
Profit	3.0%
Aggregate	35.0%

H. Provision for Profit and Contingencies

Guardian's profit margin is 4.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

We used our Group rate manual effective 1/1/2013, to develop a 4-tier rate for a 100/80/50 passive PPO plan design for group sizes 16-49. These rates assume an annual maximum of \$1,000.

In order to derive expected non-Orthodontia claim costs for the four plans, we extracted claims from the manual rates above and applied factors from our rate manual to reflect the plan designs depicted in the Supplemental schedules referenced above. The adjustments accounted for:

- Area
- Coinsurance
- Deductible
- Annual Maximum
- Moved or Non-Covered Services
- Out of Network claims which will be reimbursed at the in-network fee schedule
- Any associated network impacts (utilization, redirection) resulting from the new plan design

- 5% Annual Trend

We are estimating average morbidity will be similar to what we assume for a 25 life group.

The result was a four-tier rate (Individual, Individual + Spouse, Individual + Children, Family) for each of Colorado's 11 rating areas consistent with our rate manual.

Final Rates

For Exchange business, we are setting the Adult (ages 19+) rate equal to the Individual rate from our Group Rate Manual. The Child rate (ages 0-18) for the products being filed is equal to the Pediatric EHB rate derived in our EHB Only rate filing.

All four products include coverage for Medically Necessary Orthodontia. However, we also are filing two plan Supplemental plan designs that cover non-Medically Necessary Orthodontia for children ("with Ortho" options). For these products, the rate for ages 0-18 is equal to the pediatric EHB rate derived in our EHB Only rate filing plus an additional premium for the non-Medically Necessary Orthodontia component. For that, we used our current rate manual to calculate an expected Orthodontia claim cost for the plan designs depicted in the Supplemental schedules referenced above for each of Colorado's 11 rating areas. Since we estimate that 30% of Orthodontia is Medically Necessary and included as part of the Essential Health Benefits, we calculate the cosmetic Orthodontia benefit cost as 70% of the amount derived by our rate manual.

Please refer to Exhibit I for the plan designs and premium rates.

We are also filing our current nationwide quarterly dental trend factor of 1.25%, which is intended to keep premium rates from lagging behind anticipated increases in dental claims costs. This quarterly rate increase will impact premium rates only on policyholder anniversaries.

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The annual trend assumption utilized in pricing is 5.0%. This reflects our best estimate of our long term claim cost trend.

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L. Data Requirements

Since this is a filing of a new product, no prior history is available. However, attached below is a demonstration of Guardian's Group Dental block for groups with under 50 employees for both Colorado and nationwide.

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M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Other Factors

O. Rate Manual

The rates associated with this filing are static rates that only vary by geographic area as demonstrated in Exhibit 1.

P. Benefits Ratio Projection

While these are new products and no experience exists, the exhibit below demonstrates the projected benefits ratio, over the rating period.

	Premiums	Incurred Claims	Benefits Ratio
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Actuarial Certification

I, Anthony J. Tobia, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This actuarial memorandum has been prepared for the sole purpose of demonstrating the proposed rate schedules are reasonable and this memorandum may not be appropriate for other purposes.

In my opinion, the premium rates and rating methodology to which this certification applies are neither excessive, inadequate nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of Colorado. The premium and rating methodology to which this certification applies conforms to all applicable Actuarial Standards of Practice, including ASOP no. 8.

I am of the opinion that this filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

I certify that the Actuarial Values of the included pediatric EHB benefits are 85.7% for the High Plan and 71.0% for the Low Plan as determined using generally accepted actuarial principles.



Anthony J. Tobia, FSA, MAAA
Associate Actuary
Group Products - Actuarial

7/26/2013

Date

Colorado SHOP Exchange Plan Designs

EHB (age 18 and under)

	EHB High Plan		EHB Low Plan	
	INN	OON	INN	OON
Diagnostic & Preventive	100%	80%	90%	0%
Basic Services	80%	60%	70%	0%
Major Services	50%	30%	40%	0%
Ortho (Med Nec)	50%	30%	50%	0%
Reimbursement Basis	Fee Sched	Fee Sched	Fee Sched	Fee Sched
Deductible	\$0	\$50 NWP	\$100 WP	N/A
Annual Maximum	N/A	N/A	N/A	N/A
Annual OOP Maximum	\$700	N/A	\$700	N/A
Ortho Lifetime Maximum	N/A	N/A	N/A	N/A
Waiting Periods	None	None	None	None
Actuarial Value	85.7%		71.0%	

Colorado SHOP Exchange
EHB Dental Rates per Child, Effective Dates 1/1/2014-3/31/2014

		PPO High	PPO Low
Region 1	Boulder	\$ 34.38	\$ 27.83
Region 2	El Paso, Teller	\$ 34.29	\$ 27.76
Region 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park	\$ 33.72	\$ 27.32
Region 4	Larimer	\$ 32.29	\$ 26.18
Region 5	Mesa	\$ 32.03	\$ 25.97
Region 6	Weld	\$ 32.29	\$ 26.18
Region 7	Pueblo	\$ 32.03	\$ 25.97
Region 8	Baca, Bent, Cheyenne, Crowley, Custer, Fremont, Huefano, Kiowa, Kit Carson, Las Animas, Lincoln, Otero, Prowers, Alamosa, Chaffee, Conejos, Costilla, Rio Grande, Saguache	\$ 33.18	\$ 26.90
Region 9	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma	\$ 32.03	\$ 25.97
Region 10	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake, Mineral, Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt,	\$ 32.24	\$ 26.14
Region 11	Eagle, Garfield, Pitkin, Summit	\$ 32.08	\$ 26.01

Colorado Exchange Plan Designs

Supplemental Plans

	High Plan w/o Ortho	
	INN	OON
Diagnostic & Preventive	100%	80%
Basic Services	80%	60%
Major Services	50%	30%
Cosmetic Ortho (Child)	N/A	N/A
Reimbursement Basis	Fee Sched	Fee Sched
Deductible	0	\$50 NWP
Ortho Lifetime Max	N/A	N/A
Waiting Periods (Major & Ortho)	12-month	12-month
Included EHB Design (for <19)	High Plan	

Low Plan w/o Ortho	
INN	OON
90%	0%
70%	0%
40%	0%
N/A	N/A
Fee Sched	Fee Sched
\$100 WP	N/A
N/A	N/A
12-month	12-month
Low Plan	

High Plan with Ortho	
INN	OON
100%	80%
80%	60%
50%	30%
50%	30%
Fee Sched	Fee Sched
0	\$50 NWP
\$1,500	\$1,500
12-month	12-month
High Plan	

Low Plan with Ortho	
INN	OON
90%	0%
70%	0%
40%	0%
50%	0%
Fee Sched	Fee Sched
\$100 WP	N/A
\$1,000	N/A
12-month	12-month
Low Plan	

Monthly Premium Rates for Colorado SHOP Exchange

Region 1	Boulder
Region 2	El Paso, Teller
Region 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park
Region 4	Larimer
Region 5	Mesa
Region 6	Weld
Region 7	Pueblo
Region 8	Baca, Bent, Cheyenne, Crowley, Custer, Fremont, Huefano, Kiowa, Kit Carson, Las Animas, Lincoln, Otero, Prowers, Alamosa, Chaffee, Conejos, Costilla, Rio Grande, Saguache
Region 9	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma
Region 10	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake, Mineral, Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt, San Juan, San Miguel
Region 11	Eagle, Garfield, Pitkin, Summit

	High Plan w/o Ortho	High Plan with Ortho	Low Plan w/o Ortho	Low Plan with Ortho
Rating Area 1				
1 Adult	\$ 31.02	\$ 31.02	\$ 23.09	\$ 23.09
2 Adults	\$ 62.11	\$ 62.11	\$ 46.24	\$ 46.24
1 Adult + 1 Child	\$ 60.28	\$ 65.56	\$ 47.23	\$ 50.75
1 Adult + 2 Children	\$ 89.55	\$ 100.10	\$ 71.37	\$ 78.40
1 Adult + 3 Children	\$ 133.44	\$ 151.90	\$ 107.57	\$ 119.88
2 Adults + 1 Child	\$ 91.37	\$ 96.65	\$ 70.37	\$ 73.89
2 Adults + 2 Children	\$ 120.63	\$ 131.19	\$ 94.51	\$ 101.55
2 Adults + 3 Children	\$ 164.53	\$ 182.99	\$ 130.71	\$ 143.02
Rating Area 2				
1 Adult	\$ 30.93	\$ 30.93	\$ 23.03	\$ 23.03
2 Adults	\$ 61.93	\$ 61.93	\$ 46.10	\$ 46.10
1 Adult + 1 Child	\$ 60.13	\$ 65.40	\$ 47.11	\$ 50.63
1 Adult + 2 Children	\$ 89.32	\$ 99.86	\$ 71.20	\$ 78.22
1 Adult + 3 Children	\$ 133.11	\$ 151.56	\$ 107.33	\$ 119.62
2 Adults + 1 Child	\$ 91.12	\$ 96.39	\$ 70.19	\$ 73.70

2 Adults + 2 Children	\$	120.32	\$	130.86	\$	94.27	\$	101.30
2 Adults + 3 Children	\$	164.11	\$	182.55	\$	130.40	\$	142.70

Rating Area 3

1 Adult	\$	30.40	\$	30.40	\$	22.63	\$	22.63
2 Adults	\$	60.86	\$	60.86	\$	45.31	\$	45.31
1 Adult + 1 Child	\$	59.20	\$	64.41	\$	46.42	\$	49.89
1 Adult + 2 Children	\$	88.00	\$	98.42	\$	70.20	\$	77.15
1 Adult + 3 Children	\$	131.19	\$	149.44	\$	105.88	\$	118.04
2 Adults + 1 Child	\$	89.66	\$	94.88	\$	69.10	\$	72.57
2 Adults + 2 Children	\$	118.46	\$	128.89	\$	92.88	\$	99.83
2 Adults + 3 Children	\$	161.66	\$	179.91	\$	128.56	\$	140.72

Rating Area 4

1 Adult	\$	29.01	\$	29.01	\$	21.59	\$	21.59
2 Adults	\$	58.07	\$	58.07	\$	43.23	\$	43.23
1 Adult + 1 Child	\$	56.77	\$	61.84	\$	44.59	\$	47.97
1 Adult + 2 Children	\$	84.53	\$	94.67	\$	67.59	\$	74.35
1 Adult + 3 Children	\$	126.17	\$	143.92	\$	102.09	\$	113.92
2 Adults + 1 Child	\$	85.83	\$	90.91	\$	66.23	\$	69.61
2 Adults + 2 Children	\$	113.60	\$	123.74	\$	89.23	\$	95.99
2 Adults + 3 Children	\$	155.24	\$	172.99	\$	123.73	\$	135.56

Rating Area 5

1 Adult	\$	28.74	\$	28.74	\$	21.40	\$	21.40
2 Adults	\$	57.55	\$	57.55	\$	42.84	\$	42.84
1 Adult + 1 Child	\$	56.31	\$	61.36	\$	44.25	\$	47.61
1 Adult + 2 Children	\$	83.87	\$	93.97	\$	67.10	\$	73.83
1 Adult + 3 Children	\$	125.22	\$	142.88	\$	101.37	\$	113.15
2 Adults + 1 Child	\$	85.11	\$	90.16	\$	65.69	\$	69.06
2 Adults + 2 Children	\$	112.68	\$	122.77	\$	88.54	\$	95.27
2 Adults + 3 Children	\$	154.03	\$	171.69	\$	122.82	\$	134.59

Rating Area 6

1 Adult	\$	29.01	\$	29.01	\$	21.59	\$	21.59
2 Adults	\$	58.07	\$	58.07	\$	43.23	\$	43.23
1 Adult + 1 Child	\$	56.77	\$	61.84	\$	44.59	\$	47.97
1 Adult + 2 Children	\$	84.53	\$	94.67	\$	67.59	\$	74.35
1 Adult + 3 Children	\$	126.17	\$	143.92	\$	102.09	\$	113.92
2 Adults + 1 Child	\$	85.83	\$	90.91	\$	66.23	\$	69.61
2 Adults + 2 Children	\$	113.60	\$	123.74	\$	89.23	\$	95.99
2 Adults + 3 Children	\$	155.24	\$	172.99	\$	123.73	\$	135.56

Rating Area 7

1 Adult	\$	28.74	\$	28.74	\$	21.40	\$	21.40
2 Adults	\$	57.55	\$	57.55	\$	42.84	\$	42.84
1 Adult + 1 Child	\$	56.31	\$	61.36	\$	44.25	\$	47.61
1 Adult + 2 Children	\$	83.87	\$	93.97	\$	67.10	\$	73.83
1 Adult + 3 Children	\$	125.22	\$	142.88	\$	101.37	\$	113.15
2 Adults + 1 Child	\$	85.11	\$	90.16	\$	65.69	\$	69.06
2 Adults + 2 Children	\$	112.68	\$	122.77	\$	88.54	\$	95.27
2 Adults + 3 Children	\$	154.03	\$	171.69	\$	122.82	\$	134.59

Rating Area 8

1 Adult	\$	29.89	\$	29.89	\$	22.25	\$	22.25
2 Adults	\$	59.84	\$	59.84	\$	44.55	\$	44.55
1 Adult + 1 Child	\$	58.31	\$	63.54	\$	45.75	\$	49.24
1 Adult + 2 Children	\$	86.73	\$	97.19	\$	69.24	\$	76.22
1 Adult + 3 Children	\$	129.35	\$	147.67	\$	104.49	\$	116.70
2 Adults + 1 Child	\$	88.26	\$	93.50	\$	68.05	\$	71.54
2 Adults + 2 Children	\$	116.68	\$	127.15	\$	91.54	\$	98.52
2 Adults + 3 Children	\$	159.31	\$	177.63	\$	126.79	\$	139.00

Rating Area 9

1 Adult	\$	28.74	\$	28.74	\$	21.40	\$	21.40
2 Adults	\$	57.55	\$	57.55	\$	42.84	\$	42.84
1 Adult + 1 Child	\$	56.31	\$	61.36	\$	44.25	\$	47.61
1 Adult + 2 Children	\$	83.87	\$	93.97	\$	67.10	\$	73.83
1 Adult + 3 Children	\$	125.22	\$	142.88	\$	101.37	\$	113.15
2 Adults + 1 Child	\$	85.11	\$	90.16	\$	65.69	\$	69.06
2 Adults + 2 Children	\$	112.68	\$	122.77	\$	88.54	\$	95.27
2 Adults + 3 Children	\$	154.03	\$	171.69	\$	122.82	\$	134.59

Rating Area 10

1 Adult	\$	28.96	\$	28.96	\$	21.56	\$	21.56
2 Adults	\$	57.99	\$	57.99	\$	43.17	\$	43.17
1 Adult + 1 Child	\$	56.69	\$	61.76	\$	44.53	\$	47.92
1 Adult + 2 Children	\$	84.42	\$	94.56	\$	67.51	\$	74.27
1 Adult + 3 Children	\$	126.01	\$	143.76	\$	101.97	\$	113.80
2 Adults + 1 Child	\$	85.71	\$	90.79	\$	66.14	\$	69.52
2 Adults + 2 Children	\$	113.44	\$	123.59	\$	89.11	\$	95.88
2 Adults + 3 Children	\$	155.03	\$	172.79	\$	123.57	\$	135.41

Rating Area 11

1 Adult	\$	28.79	\$	28.79	\$	21.44	\$	21.44
2 Adults	\$	57.65	\$	57.65	\$	42.92	\$	42.92
1 Adult + 1 Child	\$	56.39	\$	61.45	\$	44.31	\$	47.68
1 Adult + 2 Children	\$	84.00	\$	94.11	\$	67.19	\$	73.93
1 Adult + 3 Children	\$	125.40	\$	143.09	\$	101.51	\$	113.30

2 Adults + 1 Child	\$	85.25	\$	90.30	\$	65.79	\$	69.16
2 Adults + 2 Children	\$	112.85	\$	122.96	\$	88.67	\$	95.41
2 Adults + 3 Children	\$	154.25	\$	171.94	\$	122.99	\$	134.78

Exhibit 2: Derivation of EHB, Colorado

EHB High Plan	1	2	3	4	5	6	7	8	9	10	11
Starting Claim Cost	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15
Trend Adjustment	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73
Area Adjustment	\$291.95	\$291.10	\$286.09	\$272.98	\$270.50	\$272.98	\$270.50	\$281.29	\$270.50	\$272.56	\$270.97
Network Adjustment	\$246.28	\$245.57	\$241.34	\$230.28	\$228.19	\$230.28	\$228.19	\$237.29	\$228.19	\$229.93	\$228.58
Unlimited Max Adj	\$254.00	\$253.19	\$248.37	\$236.06	\$233.80	\$236.06	\$233.80	\$243.75	\$233.80	\$235.68	\$234.22
Deductible Adjustment	\$243.42	\$242.61	\$237.79	\$225.48	\$223.22	\$225.48	\$223.22	\$233.17	\$223.22	\$225.10	\$223.64
Coinsurance Adjustment	\$195.57	\$194.91	\$191.01	\$181.08	\$179.26	\$181.08	\$179.26	\$187.27	\$179.26	\$180.77	\$179.60
OOP Max Adjustment	\$196.79	\$196.12	\$192.17	\$182.13	\$180.29	\$182.13	\$180.29	\$188.40	\$180.29	\$181.82	\$180.63
Med Nec Ortho	\$240.94	\$240.27	\$236.33	\$226.28	\$224.44	\$226.28	\$224.44	\$232.55	\$224.44	\$225.97	\$224.78
Morbidity Adjustment	\$255.40	\$254.69	\$250.51	\$239.86	\$237.91	\$239.86	\$237.91	\$246.50	\$237.91	\$239.53	\$238.27
Expense Adjustment	\$392.92	\$391.83	\$385.40	\$369.01	\$366.01	\$369.01	\$366.01	\$379.24	\$366.01	\$368.51	\$366.57
Exchange Tier Adjustment	\$412.57	\$411.42	\$404.67	\$387.46	\$384.31	\$387.46	\$384.31	\$398.20	\$384.31	\$386.94	\$384.90
Monthly Rate	\$34.38	\$34.29	\$33.72	\$32.29	\$32.03	\$32.29	\$32.03	\$33.18	\$32.03	\$32.24	\$32.08

EHB Low Plan	1	2	3	4	5	6	7	8	9	10	11
Starting Claim Cost	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15	\$257.15
Trend Adjustment	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73	\$277.73
Area Adjustment	\$291.95	\$291.10	\$286.09	\$272.98	\$270.50	\$272.98	\$270.50	\$281.29	\$270.50	\$272.56	\$270.97
Network Adjustment	\$253.13	\$252.39	\$248.05	\$236.68	\$234.53	\$236.68	\$234.53	\$243.89	\$234.53	\$236.32	\$234.94
Unlimited Max Adj	\$257.91	\$257.13	\$252.54	\$240.53	\$238.26	\$240.53	\$238.26	\$248.14	\$238.26	\$240.15	\$238.69
Deductible Adjustment	\$236.87	\$236.09	\$231.50	\$219.49	\$217.22	\$219.49	\$217.22	\$227.10	\$217.22	\$219.11	\$217.65
Coinsurance Adjustment	\$146.28	\$145.80	\$142.93	\$135.41	\$133.99	\$135.41	\$133.99	\$140.17	\$133.99	\$135.17	\$134.26
OOP Max Adjustment	\$150.88	\$150.37	\$147.31	\$139.32	\$137.81	\$139.32	\$137.81	\$144.39	\$137.81	\$139.07	\$138.09
Med Nec Ortho	\$195.04	\$194.52	\$191.47	\$183.47	\$181.97	\$183.47	\$181.97	\$188.54	\$181.97	\$183.22	\$182.25
Morbidity Adjustment	\$206.74	\$206.19	\$202.96	\$194.48	\$192.88	\$194.48	\$192.88	\$199.85	\$192.88	\$194.22	\$193.18
Expense Adjustment	\$318.06	\$317.22	\$312.24	\$299.20	\$296.74	\$299.20	\$296.74	\$307.47	\$296.74	\$298.79	\$297.20
Exchange Tier Adjustment	\$333.97	\$333.08	\$327.85	\$314.16	\$311.58	\$314.16	\$311.58	\$322.84	\$311.58	\$313.73	\$312.06
Monthly Rate	\$27.83	\$27.76	\$27.32	\$26.18	\$25.97	\$26.18	\$25.97	\$26.90	\$25.97	\$26.14	\$26.01

Actuarial Memorandum

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Child Only policies effective January 1, 2014. The development of these rates is intended to maintain consistency with our Group Dental rate manual. As these rates are being developed for new contracts, there is no premium history, prior experience, or loss ratios to report.

The majority of rating factors and pricing assumptions used in determining our proposed rates are consistent with those currently used for Group business in the state of Colorado. Our Group Dental rates in Colorado are updated on a quarterly basis and submitted to the state of Colorado as part of our state rate filing.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

The premium rates for these plans vary by geography and plan design.

The forms associated with this filing are as follows:

- GC-EHB-SHOP-13-CO
- SCH1-EHB-PPOHIGH-SHOP-CO
- SCH2-EHB-PPLOW-SHOP-CO

These policies will be guaranteed renewable.

The benefits in these policies are only available to members under the age of 19. There is no limit to the issue age range and the premiums will be charged on an attained age basis.

Please see the attached Exhibit 1 (EHB) for the description of benefits.

B. Assumption or Acquisition

The products included in this rate filing were not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2014 to 12/31/2014.

D. Effect of Law Changes

This filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

E. Rate History

As this filing is applicable to new products, there is no rate history. However, attached is a rate history of our Group Dental manual rates for both Colorado and Nationwide since August 2009.

Colorado

SERFF Tracking Number	Effective Date	Minimum Change	Average Change	Maximum Change	Cumulative for past 12 Months
GARD-126236921	8/1/2009	1.20%	1.20%	1.20%	3.65%
GARD-126325845	11/1/2009	-0.30%	-0.30%	-0.30%	2.01%
GARD-126436583	1/1/2010	1.90%	1.90%	1.90%	3.53%
GARD-126587002	6/15/2010	3.50%	3.50%	3.50%	6.41%
GARD-126804616	12/1/2010	-0.53%	-0.53%	-0.53%	6.48%
GARD-127010132	4/1/2011	-1.97%	-1.97%	-1.97%	3.97%
GARD-128050999	4/1/2012	-12.16%	-2.53%	8.04%	1.92%
GARD-128529058	9/1/2012	-4.36%	-0.65%	3.42%	-0.24%
GARD-128709700	12/1/2012	-8.09%	-0.20%	15.45%	-1.91%
GARD-128829387	3/1/2013	-0.35%	1.25%	3.23%	-2.15%
GARD-128956658	6/1/2013	-2.66%	0.00%	3.62%	0.39%

Nationwide

Effective Date	Average Change	Cumulative for past 12 Months
1/1/2011	0.40%	4.41%
4/1/2011	0.65%	2.93%
7/1/2011	0.76%	2.99%
9/1/2011	-0.10%	1.72%
1/1/2012	1.00%	2.33%
4/1/2012	1.53%	3.22%
7/1/2012	1.12%	3.59%
10/1/2012	-0.20%	3.49%
1/1/2013	1.25%	3.74%
4/1/2013	0.00%	2.18%

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

These plans were priced with an expected loss ratio of 65%. The remaining 35% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

Components of Retention	% Premium
Sales / Commissions	8.9%
Administration	14.0%
Premium Tax	2.7%
ACA Health Insurer Fee	4.0%
Exchange Fee	1.4%
Profit	4.0%
Aggregate	35.0%

H. Provision for Profit and Contingencies

Guardian's pre-FIT profit margin is 4.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

Starting Claims Cost – The average 2011 Child Only claims cost per procedure (excluding Ortho) was used to develop starting claim costs for a 100/80/50 Dental plan and an Annual Maximum of \$1,300. This plan design represents the average amount of coverage for our nationwide in-force Group Dental block of business.

Existing claim costs by service code were adjusted to align with the services covered under policy form GC-EHB-SHOP-13-CO. This resulted in a starting claim cost by service category (excluding Ortho).

These nationwide starting claim costs were adjusted for trend and rating region as follows.

Trend Adjustment – Since 2011 claims data was used for the pricing analysis, the starting claims cost per Child net of coinsurance was trended by 1.5% for two years (retrospective trend) plus 5% annually for one year for a total of 8%.

Area Adjustments – We adjust for expected cost and utilization differences by region using the area factors included in our filed Group Rating Manual. Colorado defined 11 rating regions as shown in the supporting exhibit. Using our Group Rate Manual, we calculated the ratio of the area factor for each CO rating region to the nationwide average area factor. The resulting relationship factors are as follows:

Region	1	2	3	4	5	6	7	8	9	10	11
Area Factor	1.051	1.048	1.030	0.983	0.974	0.983	0.974	1.013	0.974	0.981	0.976

The methodology for determining Area Factors in our Group Rate Manual is as follows. We analyze experience by rating area. Claims are pro-rated such that the overall effect of the area factor changes will be close to rate neutral. Areas where the theoretical change in premium is more than 2% are candidates for a change in area factor. In general, the actual change made is about half the theoretical change, adjusting rates gradually over time rather than potentially over-compensating.

This result was then multiplied by the annual number of procedures per child for each service category. This allowed us to convert starting claims cost per procedure to starting claims cost per Child for each service category.

Network Adjustment – Our network discount assumptions from our currently filed Group PPO Factors were used to adjust for discounts on in-network claims. Out-of-network claims will be reimbursed at the in-network fee schedule for policy form GC-EHB-SHOP-13-CO.

Unlimited Max Adjustment – We are estimating that an unlimited maximum on Child Only Dental claims is worth a load of 2.5% vs. an annual maximum of \$1,300. This load was applied to the claims cost per Child. This load was based on a consultant’s claim continuance table.

Deductible Adjustment – The expected cost reduction of the deductible was priced at 26% of the deductible amount when waived for preventive services. When the deductible was not waived for preventive services, the expected cost reduction was priced at 66% of the deductible amount. These percentages assume that 26% of covered children receive Basic or Major services and 66% receive any Dental service in a given year. It also assumes the deductible will be less than any allowable charge.

Coinsurance Adjustments – Our currently filed Group coinsurance adjustment factors, which vary by service category, were applied to the resulting claims cost per Child for each service category. These coinsurance adjustment factors account for both cost and utilization.

Out-of-Pocket Maximum – This coverage includes an Out-of-Pocket maximum benefit which pays 100% of in network covered services after the insured child has reached \$700 of in-network out of pocket claim costs. We account for this additional cost in two ways. First, we assume that 1.8% of children are under Medically Necessary Orthodontia treatment in any given year. These children will incur out of pocket costs of \$700 for Orthodontia so all in network non-Orthodontia claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out of pocket expenses for non-Orthodontia treatments. Using a consultant’s claim

continuance curve, we estimated the cost of the benefits above the threshold. Both of these extra costs were added to the claim costs for each service category.

In-Network Utilization – Our in-network utilization assumptions from our currently filed Group PPO Factors were used to blend the in-network and out-of-network net Child claims costs.

Ortho Rating Methodology

In-Network Starting Claims Cost – We expect the charge for medically necessary orthodontia treatment to be in line with our 36-month fee schedule reimbursement schedule.

We estimate that 0.90% of covered Children will require a medically necessary Orthodontia treatment. This is based on a 3% assumption of Children having an orthodontia claim coupled with a 30% assumption of orthodontia treatments expected to be medically necessary.

Network Adjustment – We assumed that our orthodontia fee schedule was discounted 25% vs. out-of-network orthodontia charges.

Out-of-Network Starting Claims Cost – The network adjustment was backed out of the In-Network Starting Claims Cost to derive the Out-of-Network Starting Claims Cost.

Coinsurance Adjustments – For the PPO High and PPO Low plans, an adjustment of 50% was applied to the in-network starting claims cost and an adjustment of 30% was applied to out-of-network claims costs.

OOP Max Adjustment – The average in-network orthodontia charge was split into 8 quarterly payments to calculate Guardian's expected payment net of the annual out-of-pocket maximum.

In-Network Utilization – Our in-network utilization assumption for pediatric orthodontia coverage was assumed to be 95%. This was used to blend the in-network claim costs net of coinsurance and the out-of-pocket maximum with the out-of-network starting claim costs.

Other Adjustments

On November 20, 2012, CMS published CMS Form Number: CMS-10433: Initial Plan Data Collection to Support QHP Certification and other Financial Management and Exchange Operations. A part of the collection of this data will be in the form of templates intended to create a nationwide standard of plan- and issuer-level data collection for the use of QHP certification, exchange operations, and oversight activities.

Three or More Children:

In order to complete the rates template for Stand-Alone Dental Products, we are required to enter an individual per Child rate that would be multiplied by the number of children, capping at three for employees with three or more children.

In order to avoid deficiency in our rates for groups with three or more children, we are applying an adjustment of 1.05 to our individual per Child rate submitted in the rates template.

Final Rates

The net Dental and Orthodontia claims costs are added together to determine the overall Child Only claims cost. We are estimating average morbidity will be similar to what we assume for a 25 life group. The overall cost is then divided by a TLR assumption of 65% in order to produce the premium rates for the PPO High and PPO Low plans. Please refer to Exhibit I for the plan designs and premium rates. The actuarial values of the PPO High and PPO Low plans are 85.4% and 68.8%, respectively.

We are also filing our current nationwide quarterly dental trend factor of 1.25%, which is intended to keep premium rates from lagging behind anticipated increases in dental claims costs. This quarterly rate increase will impact premium rates only on policyholder anniversaries.

Rate Development Exhibit

Exhibit 2 contains a derivation of each region's premium rate demonstrating the impact of the adjustments described above.

J. Trend

The annual trend assumption utilized in pricing is 5.0%. This reflects our best estimate of our long term claim cost trend.

K. Credibility

The Guardian's Colorado business meets the Colorado standard for full credibility. We have over 2,000 life years for each of the last 3 years.

L. Data Requirements

Since this is a filing of a new product, no prior history is available. However, attached below is a demonstration of Guardian's Group Dental block for groups with under 50 employees for both Colorado and nationwide.

Colorado (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	360	\$4,076,736	\$2,685,396	65.9%	5,149
2011	340	\$3,890,407	\$2,487,158	63.9%	4,583
2012	336	\$3,835,956	\$2,372,161	61.8%	4,413

Nationwide (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	49,376	\$511,462,063	\$327,411,762	64.0%	618,547
2011	49,734	\$517,199,782	\$325,462,794	62.9%	614,126
2012	50,537	\$528,171,678	\$328,482,103	62.2%	620,707

M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Other Factors

O. Rate Manual

The rates associated with this filing are static rates that only vary by geographic area as demonstrated in Exhibit 1. The derivation of the rates is shown in Exhibit 2.

P. Benefits Ratio Projection

While these are new products and no experience exists, the exhibit below demonstrates the projected benefits ratio, over the rating period.

	Premiums	Incurred Claims	Benefits Ratio
Projected Experience Without Rate Change	\$260,000	\$169,000	65%
Projected Experience With Rate Change	\$260,000	\$169,000	65%

Actuarial Value

The following is a demonstration of the actuarial values associated with the pediatric EHB included in this filing.

Actuarial values reflect the expected average share of allowed health spending that is paid for by the plan. This was calculated by comparing the amount a child would pay for a market basket of services covered in Colorado to the Allowed / Fee Schedule in Colorado for that same service. Each service was weighted by the frequency of occurrence.

For the High EHB Plan, the total Allowed / Fee Schedule for all services in Colorado is \$324.24 (“Market Basket for Colorado”). There is no deductible for the High Plan, so this value is the same for “Claims After Deductible”. The coinsurance for this plan is 100% / 80% / 50%, which decreases Guardian’s costs to \$276.31. However, the anticipated increase in costs due to the OOP Maximum is \$1.68. This brings the total Guardian cost to \$277.99. Therefore, the Actuarial Value for the High Plan is as follows:

- Value of Cost Sharing (Member Cost) = \$46.25
- Value of Allowed / Fee Schedule = \$324.24
- Actuarial Value = $1 - \$46.25 / \$324.24 = 85.7\%$

High EHB Plan					
Category of Service	Market Basket for Colorado	Claims After In Network Deductible	Claims After In Network Coinsurance	Claims After OOP Max	Member Cost
Preventive (100%)	\$149.49	\$149.49	\$149.49	\$149.49	\$0.00
Basic (80%)	\$77.05	\$77.05	\$61.64	\$62.01	\$15.04
Major (50%)	\$39.83	\$39.83	\$19.92	\$21.23	\$18.61
Non-Ortho	\$266.38	\$266.38	\$231.05	\$232.73	\$33.65
Ortho	\$57.86	\$57.86	\$45.26	\$45.26	\$12.60
Total	\$324.24	\$324.24	\$276.31	\$277.99	\$46.25
Actuarial Value (= 1 - Member Cost / Market Basket = 1 - 46.25 / 324.24) ----->>>>>					85.7%

Low EHB Plan					
Category of Service	Market Basket for Colorado	Claims After In Network Deductible	Claims After In Network Coinsurance	Claims After OOP Max	Member Cost
Preventive (90%)	\$149.49	\$149.49	\$130.66	\$130.99	\$18.51
Basic (70%)	\$77.05	\$52.55	\$35.42	\$36.59	\$40.46
Major (40%)	\$39.83	\$38.03	\$13.50	\$17.37	\$22.46
Non-Ortho	\$266.38	\$240.08	\$179.58	\$184.95	\$81.43
Ortho	\$57.86	\$57.86	\$45.26	\$45.26	\$12.60
Total	\$324.24	\$297.94	\$224.84	\$230.21	\$94.03
Actuarial Value (= 1 - Member Cost / Market Basket = 1 - 94.03 / 324.24) ----->>>>>					71.0%

Actuarial Certification

I, Anthony J. Tobia, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This actuarial memorandum has been prepared for the sole purpose of demonstrating the proposed rate schedules are reasonable and this memorandum may not be appropriate for other purposes.

In my opinion, the premium rates and rating methodology to which this certification applies are neither excessive, inadequate nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of Colorado. The premium and rating methodology to which this certification applies conforms to all applicable Actuarial Standards of Practice, including ASOP no. 8.

I am of the opinion that this filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

I certify that the Actuarial Values of the EHB plans are 85.7% for the High Plan and 71.0% for the Low Plan as determined using generally accepted actuarial principles.



Anthony J. Tobia, FSA, MAAA
Associate Actuary
Group Products - Actuarial

7/26/2013
Date

Actuarial Memorandum

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Supplemental policies effective January 1, 2014. The development of these rates is intended to maintain consistency with our Group Dental rate manual. As these rates are being developed for new contracts, there is no premium history, prior experience, or loss ratios to report.

The benefits included in these policies cover subscribers and their dependents. The Pediatric Dental Essential Health Benefit is included for those members under age 19.

The majority of rating factors and pricing assumptions used in determining our proposed rates are consistent with those currently used for Group business in the state of Colorado. Our Group Dental rates in Colorado are updated on a quarterly basis and submitted to the state of Colorado as part of our state rate filing.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

The premium rates for these plans vary by geography, age, and plan design. There is no limit to the issue age range and the premiums will be charged on an attained age basis.

The forms associated with this filing are as follows:

- SCH1-SUPP-PPOHIGHORTH-SHOP-CO
- SCH2-SUPP-PPOHIGH-SHOP-CO
- SCH3-SUPP-PPLOWORTH-SHOP-CO
- SCH4-SUPP-PPLOW-SHOP-CO

These policies will be guaranteed renewable.

Please see the attached Exhibit 1 (Supp) for the description of benefits.

B. Assumption or Acquisition

The products included in this rate filing were not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2013 to 3/31/2014.

D. Effect of Law Changes

There is no impact to rates due to changes in laws or regulations

E. Rate History

As this filing is applicable to new products, there is no rate history. However, attached is a rate history of our Group Dental manual rates for both Colorado and Nationwide since August 2009.

Colorado

SERFF Tracking Number	Effective Date	Minimum Change	Average Change	Maximum Change	Cumulative for past 12 Months
GARD-126236921	8/1/2009	1.20%	1.20%	1.20%	3.65%
GARD-126325845	11/1/2009	-0.30%	-0.30%	-0.30%	2.01%
GARD-126436583	1/1/2010	1.90%	1.90%	1.90%	3.53%
GARD-126587002	6/15/2010	3.50%	3.50%	3.50%	6.41%
GARD-126804616	12/1/2010	-0.53%	-0.53%	-0.53%	6.48%
GARD-127010132	4/1/2011	-1.97%	-1.97%	-1.97%	3.97%
GARD-128050999	4/1/2012	-12.16%	-2.53%	8.04%	1.92%
GARD-128529058	9/1/2012	-4.36%	-0.65%	3.42%	-0.24%
GARD-128709700	12/1/2012	-8.09%	-0.20%	15.45%	-1.91%
GARD-128829387	3/1/2013	-0.35%	1.25%	3.23%	-2.15%
GARD-128956658	6/1/2013	-2.66%	0.00%	3.62%	0.39%

Nationwide

Effective Date	Average Change	Cumulative for past 12 Months
1/1/2011	0.40%	4.41%
4/1/2011	0.65%	2.93%
7/1/2011	0.76%	2.99%
9/1/2011	-0.10%	1.72%
1/1/2012	1.00%	2.33%
4/1/2012	1.53%	3.22%
7/1/2012	1.12%	3.59%
10/1/2012	-0.20%	3.49%
1/1/2013	1.25%	3.74%
4/1/2013	0.00%	2.18%

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

These plans were priced with an expected loss ratio of 65%. The remaining 35% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

Components of Retention	% Premium
Sales / Commissions	8.9%
Administration	14.0%
Premium Tax	2.7%
ACA Health Insurer Fee	4.0%
Exchange Fee	1.4%
Profit	4.0%
Aggregate	35.0%

H. Provision for Profit and Contingencies

Guardian's profit margin is 4.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

We used our Group rate manual effective 1/1/2013, to develop a 4-tier rate for a 100/80/50 passive PPO plan design for group sizes 16-49. These rates assume an annual maximum of \$1,000.

In order to derive expected non-Orthodontia claim costs for the four plans, we extracted claims from the manual rates above and applied factors from our rate manual to reflect the plan designs depicted in the Supplemental schedules referenced above. The adjustments accounted for:

- Area
- Coinsurance
- Deductible
- Annual Maximum
- Moved or Non-Covered Services
- Out of Network claims which will be reimbursed at the in-network fee schedule
- Any associated network impacts (utilization, redirection) resulting from the new plan design
- 5% Annual Trend

We are estimating average morbidity will be similar to what we assume for a 25 life group.

The result was a four-tier rate (Individual, Individual + Spouse, Individual + Children, Family) for each of Colorado's 11 rating areas consistent with our rate manual. For Exchange business, we are given the opportunity to rate on an 8-tier basis (Individual, Individual + Spouse, Individual + 1 Child, Individual + 2 Children, Individual + 3 Or More Children, Individual + Spouse + 1 Child, Individual + Spouse + 2 Children, Individual + Spouse + 3 Or More Children. In order to accomplish this, we extracted the child rate from our standard 4-tier structure and assumed 1 child for the +1 Child tier, 2 children for the +2 Children tier, and 3.5 children for the 3+ Children tier.

Inclusion of Essential Health Benefits

Because these plans include coverage of the pediatric Dental component of Essential Health Benefits, we need to reflect the additional cost of three claim components for children aged 18 and below. Essential Health Benefits require an Unlimited Annual Maximum, a \$700 Out of Pocket Maximum (after which, all in network claims are paid at 100%), and coverage for Medically Necessary Orthodontia with no Lifetime Maximum.

Unlimited Annual Maximum

In order to calculate the cost of an Unlimited Annual Maximum, we used factors from a consultant rate manual to estimate expected impact on Child claim costs. The result was a 2.00% load relative to a \$1,500 Annual Maximum for the High plans and a load of 3.90% relative to a \$1,000 Annual Maximum for the Low plans.

Impact of Out-of-Pocket Maximum on Non-Ortho Claims

This coverage includes an Out-of-Pocket maximum benefit which pays 100% of in network covered services after the insured child has reached \$700 of in-network out of pocket claim costs. We account for this additional cost in two ways. First, we assume that 1.8% of children are under Medically Necessary Orthodontia treatment in any given year. These children will incur out of pocket costs of \$700 for Orthodontia so all in network non-Orthodontia claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out of pocket expenses for non-Orthodontia treatments. Using a consultant's claim continuance curve, we estimated the cost of the benefits above the threshold. Both of these extra costs were added to the child claim costs.

Medically Necessary Orthodontia

- In-Network Starting Claims Cost –We expect the charge for medically necessary orthodontia treatment to be in line with our 36-month fee schedule reimbursement schedule.

- We estimate that 0.90% of covered Children will require a medically necessary Orthodontia treatment. This is based on a 3% assumption of Children having an orthodontia claim coupled with a 30% assumption of orthodontia treatments expected to be medically necessary.
- Network Adjustment – We assumed that our orthodontia fee schedule was discounted 25% vs. out-of-network orthodontia charges.
- Out-of-Network Starting Claims Cost – The network adjustment was backed out of the In-Network Starting Claims Cost to derive the Out-of-Network Starting Claims Cost.
- Coinsurance Adjustments – For the PPO High and PPO Low plans, an adjustment of 50% was applied to the in-network starting claims cost and an adjustment of 30% was applied to out-of-network claims costs.
- OOP Max Adjustment – The average in-network orthodontia charge was split into 8 quarterly payments to calculate Guardian’s expected payment net of the annual out-of-pocket maximum.
- In-Network Utilization – Our in-network utilization assumption for pediatric orthodontia coverage was assumed to be 95%. This was used to blend the in-network claim costs net of coinsurance and the out-of-pocket maximum with the out-of-network starting claim costs.

Cosmetic Orthodontia Rating Methodology (when included)

We used our current rate manual to calculate an expected Orthodontia claim cost for the plan designs depicted in the Supplemental schedules referenced above for each of Colorado’s 11 rating areas. Since we estimate that 30% of Orthodontia is Medically Necessary and included as part of the Essential Health Benefits, we calculate the cosmetic Orthodontia benefit cost as 70% of the amount derived by our rate manual.

Final Rates

The net Dental and Orthodontia claim costs are added together for each of the four plan designs. The overall cost is then divided by a Target Loss Ratio assumption of 65% in order to produce the premium rates for the four plan designs. Please refer to Exhibit I for the plan designs and premium rates.

We are also filing our current nationwide quarterly dental trend factor of 1.25%, which is intended to keep premium rates from lagging behind anticipated increases in dental claims costs. This quarterly rate increase will impact premium rates only on policyholder anniversaries.

J. Trend

The annual trend assumption utilized in pricing is 5.0%. This reflects our best estimate of our long term claim cost trend.

K. Credibility

The Guardian's Colorado business meets the Colorado standard for full credibility. We have over 2,000 life years for each of the last 3 years.

L. Data Requirements

Since this is a filing of a new product, no prior history is available. However, attached below is a demonstration of Guardian's Group Dental block for groups with under 50 employees for both Colorado and nationwide.

Colorado (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	360	\$4,076,736	\$2,685,396	65.9%	5,149
2011	340	\$3,890,407	\$2,487,158	63.9%	4,583
2012	336	\$3,835,956	\$2,372,161	61.8%	4,413

Nationwide (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	49,376	\$511,462,063	\$327,411,762	64.0%	618,547
2011	49,734	\$517,199,782	\$325,462,794	62.9%	614,126
2012	50,537	\$528,171,678	\$328,482,103	62.2%	620,707

M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Other Factors

O. Rate Manual

The rates associated with this filing are static rates that only vary by geographic area as demonstrated in Exhibit 1.

P. Benefits Ratio Projection

While these are new products and no experience exists, the exhibit below demonstrates the projected benefits ratio, over the rating period.

	Premiums	Incurred Claims	Benefits Ratio
Projected Experience Without Rate Change	\$260,000	\$169,000	65%
Projected Experience With Rate Change	\$260,000	\$169,000	65%

Actuarial Certification

I, Anthony J. Tobia, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This actuarial memorandum has been prepared for the sole purpose of demonstrating the proposed rate schedules are reasonable and this memorandum may not be appropriate for other purposes.

In my opinion, the premium rates and rating methodology to which this certification applies are neither excessive, inadequate nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of Colorado. The premium and rating methodology to which this certification applies conforms to all applicable Actuarial Standards of Practice, including ASOP no. 8.

I am of the opinion that this filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

I certify that the Actuarial Values of the included pediatric EHB benefits are 85.7% for the High Plan and 71.0% for the Low Plan as determined using generally accepted actuarial principles.



Anthony J. Tobia, FSA, MAAA
Associate Actuary
Group Products - Actuarial

7/26/2013
Date

Colorado Exchange Plan Designs

Supplemental Plans

	High Plan w/o Ortho	
	INN	OON
Diagnostic & Preventive	100%	80%
Basic Services	80%	60%
Major Services	50%	30%
Cosmetic Ortho (Child)	N/A	N/A
Reimbursement Basis	Fee Sched	Fee Sched
Deductible	0	\$50 NWP
Ortho Lifetime Max	N/A	N/A
Waiting Periods (Major & Ortho)	12-month	12-month
Included EHB Design (for <19)	High Plan	

Low Plan w/o Ortho	
INN	OON
90%	0%
70%	0%
40%	0%
N/A	N/A
Fee Sched	Fee Sched
\$100 WP	N/A
N/A	N/A
12-month	12-month
Low Plan	

High Plan with Ortho	
INN	OON
100%	80%
80%	60%
50%	30%
50%	30%
Fee Sched	Fee Sched
0	\$50 NWP
\$1,500	\$1,500
12-month	12-month
High Plan	

Low Plan with Ortho	
INN	OON
90%	0%
70%	0%
40%	0%
50%	0%
Fee Sched	Fee Sched
\$100 WP	N/A
\$1,000	N/A
12-month	12-month
Low Plan	

Monthly Premium Rates for Colorado SHOP Exchange

Region 1	Boulder
Region 2	El Paso, Teller
Region 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park
Region 4	Larimer
Region 5	Mesa
Region 6	Weld
Region 7	Pueblo
Region 8	Baca, Bent, Cheyenne, Crowley, Custer, Fremont, Huefano, Kiowa, Kit Carson, Las Animas, Lincoln, Otero, Prowers, Alamosa, Chaffee, Conejos, Costilla, Rio Grande, Saguache
Region 9	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma
Region 10	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake, Mineral, Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt, San Juan, San Miguel
Region 11	Eagle, Garfield, Pitkin, Summit

	High Plan w/o Ortho	High Plan with Ortho	Low Plan w/o Ortho	Low Plan with Ortho
Rating Area 1				
1 Adult	\$ 31.02	\$ 31.02	\$ 23.09	\$ 23.09
2 Adults	\$ 62.11	\$ 62.11	\$ 46.24	\$ 46.24
1 Adult + 1 Child	\$ 60.28	\$ 65.56	\$ 47.23	\$ 50.75
1 Adult + 2 Children	\$ 89.55	\$ 100.10	\$ 71.37	\$ 78.40
1 Adult + 3 Children	\$ 133.44	\$ 151.90	\$ 107.57	\$ 119.88
2 Adults + 1 Child	\$ 91.37	\$ 96.65	\$ 70.37	\$ 73.89
2 Adults + 2 Children	\$ 120.63	\$ 131.19	\$ 94.51	\$ 101.55
2 Adults + 3 Children	\$ 164.53	\$ 182.99	\$ 130.71	\$ 143.02
Rating Area 2				
1 Adult	\$ 30.93	\$ 30.93	\$ 23.03	\$ 23.03
2 Adults	\$ 61.93	\$ 61.93	\$ 46.10	\$ 46.10
1 Adult + 1 Child	\$ 60.13	\$ 65.40	\$ 47.11	\$ 50.63
1 Adult + 2 Children	\$ 89.32	\$ 99.86	\$ 71.20	\$ 78.22
1 Adult + 3 Children	\$ 133.11	\$ 151.56	\$ 107.33	\$ 119.62
2 Adults + 1 Child	\$ 91.12	\$ 96.39	\$ 70.19	\$ 73.70

2 Adults + 2 Children	\$	120.32	\$	130.86	\$	94.27	\$	101.30
2 Adults + 3 Children	\$	164.11	\$	182.55	\$	130.40	\$	142.70

Rating Area 3

1 Adult	\$	30.40	\$	30.40	\$	22.63	\$	22.63
2 Adults	\$	60.86	\$	60.86	\$	45.31	\$	45.31
1 Adult + 1 Child	\$	59.20	\$	64.41	\$	46.42	\$	49.89
1 Adult + 2 Children	\$	88.00	\$	98.42	\$	70.20	\$	77.15
1 Adult + 3 Children	\$	131.19	\$	149.44	\$	105.88	\$	118.04
2 Adults + 1 Child	\$	89.66	\$	94.88	\$	69.10	\$	72.57
2 Adults + 2 Children	\$	118.46	\$	128.89	\$	92.88	\$	99.83
2 Adults + 3 Children	\$	161.66	\$	179.91	\$	128.56	\$	140.72

Rating Area 4

1 Adult	\$	29.01	\$	29.01	\$	21.59	\$	21.59
2 Adults	\$	58.07	\$	58.07	\$	43.23	\$	43.23
1 Adult + 1 Child	\$	56.77	\$	61.84	\$	44.59	\$	47.97
1 Adult + 2 Children	\$	84.53	\$	94.67	\$	67.59	\$	74.35
1 Adult + 3 Children	\$	126.17	\$	143.92	\$	102.09	\$	113.92
2 Adults + 1 Child	\$	85.83	\$	90.91	\$	66.23	\$	69.61
2 Adults + 2 Children	\$	113.60	\$	123.74	\$	89.23	\$	95.99
2 Adults + 3 Children	\$	155.24	\$	172.99	\$	123.73	\$	135.56

Rating Area 5

1 Adult	\$	28.74	\$	28.74	\$	21.40	\$	21.40
2 Adults	\$	57.55	\$	57.55	\$	42.84	\$	42.84
1 Adult + 1 Child	\$	56.31	\$	61.36	\$	44.25	\$	47.61
1 Adult + 2 Children	\$	83.87	\$	93.97	\$	67.10	\$	73.83
1 Adult + 3 Children	\$	125.22	\$	142.88	\$	101.37	\$	113.15
2 Adults + 1 Child	\$	85.11	\$	90.16	\$	65.69	\$	69.06
2 Adults + 2 Children	\$	112.68	\$	122.77	\$	88.54	\$	95.27
2 Adults + 3 Children	\$	154.03	\$	171.69	\$	122.82	\$	134.59

Rating Area 6

1 Adult	\$	29.01	\$	29.01	\$	21.59	\$	21.59
2 Adults	\$	58.07	\$	58.07	\$	43.23	\$	43.23
1 Adult + 1 Child	\$	56.77	\$	61.84	\$	44.59	\$	47.97
1 Adult + 2 Children	\$	84.53	\$	94.67	\$	67.59	\$	74.35
1 Adult + 3 Children	\$	126.17	\$	143.92	\$	102.09	\$	113.92
2 Adults + 1 Child	\$	85.83	\$	90.91	\$	66.23	\$	69.61
2 Adults + 2 Children	\$	113.60	\$	123.74	\$	89.23	\$	95.99
2 Adults + 3 Children	\$	155.24	\$	172.99	\$	123.73	\$	135.56

Rating Area 7

1 Adult	\$	28.74	\$	28.74	\$	21.40	\$	21.40
2 Adults	\$	57.55	\$	57.55	\$	42.84	\$	42.84
1 Adult + 1 Child	\$	56.31	\$	61.36	\$	44.25	\$	47.61
1 Adult + 2 Children	\$	83.87	\$	93.97	\$	67.10	\$	73.83
1 Adult + 3 Children	\$	125.22	\$	142.88	\$	101.37	\$	113.15
2 Adults + 1 Child	\$	85.11	\$	90.16	\$	65.69	\$	69.06
2 Adults + 2 Children	\$	112.68	\$	122.77	\$	88.54	\$	95.27
2 Adults + 3 Children	\$	154.03	\$	171.69	\$	122.82	\$	134.59

Rating Area 8

1 Adult	\$	29.89	\$	29.89	\$	22.25	\$	22.25
2 Adults	\$	59.84	\$	59.84	\$	44.55	\$	44.55
1 Adult + 1 Child	\$	58.31	\$	63.54	\$	45.75	\$	49.24
1 Adult + 2 Children	\$	86.73	\$	97.19	\$	69.24	\$	76.22
1 Adult + 3 Children	\$	129.35	\$	147.67	\$	104.49	\$	116.70
2 Adults + 1 Child	\$	88.26	\$	93.50	\$	68.05	\$	71.54
2 Adults + 2 Children	\$	116.68	\$	127.15	\$	91.54	\$	98.52
2 Adults + 3 Children	\$	159.31	\$	177.63	\$	126.79	\$	139.00

Rating Area 9

1 Adult	\$	28.74	\$	28.74	\$	21.40	\$	21.40
2 Adults	\$	57.55	\$	57.55	\$	42.84	\$	42.84
1 Adult + 1 Child	\$	56.31	\$	61.36	\$	44.25	\$	47.61
1 Adult + 2 Children	\$	83.87	\$	93.97	\$	67.10	\$	73.83
1 Adult + 3 Children	\$	125.22	\$	142.88	\$	101.37	\$	113.15
2 Adults + 1 Child	\$	85.11	\$	90.16	\$	65.69	\$	69.06
2 Adults + 2 Children	\$	112.68	\$	122.77	\$	88.54	\$	95.27
2 Adults + 3 Children	\$	154.03	\$	171.69	\$	122.82	\$	134.59

Rating Area 10

1 Adult	\$	28.96	\$	28.96	\$	21.56	\$	21.56
2 Adults	\$	57.99	\$	57.99	\$	43.17	\$	43.17
1 Adult + 1 Child	\$	56.69	\$	61.76	\$	44.53	\$	47.92
1 Adult + 2 Children	\$	84.42	\$	94.56	\$	67.51	\$	74.27
1 Adult + 3 Children	\$	126.01	\$	143.76	\$	101.97	\$	113.80
2 Adults + 1 Child	\$	85.71	\$	90.79	\$	66.14	\$	69.52
2 Adults + 2 Children	\$	113.44	\$	123.59	\$	89.11	\$	95.88
2 Adults + 3 Children	\$	155.03	\$	172.79	\$	123.57	\$	135.41

Rating Area 11

1 Adult	\$	28.79	\$	28.79	\$	21.44	\$	21.44
2 Adults	\$	57.65	\$	57.65	\$	42.92	\$	42.92
1 Adult + 1 Child	\$	56.39	\$	61.45	\$	44.31	\$	47.68
1 Adult + 2 Children	\$	84.00	\$	94.11	\$	67.19	\$	73.93
1 Adult + 3 Children	\$	125.40	\$	143.09	\$	101.51	\$	113.30

2 Adults + 1 Child	\$	85.25	\$	90.30	\$	65.79	\$	69.16
2 Adults + 2 Children	\$	112.85	\$	122.96	\$	88.67	\$	95.41
2 Adults + 3 Children	\$	154.25	\$	171.94	\$	122.99	\$	134.78

Actuarial Memorandum

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Child Only policies effective January 1, 2014. The development of these rates is intended to maintain consistency with our Group Dental rate manual. As these rates are being developed for new contracts, there is no premium history, prior experience, or loss ratios to report.

The majority of rating factors and pricing assumptions used in determining our proposed rates are consistent with those currently used for Group business in the state of Colorado. Our Group Dental rates in Colorado are updated on a quarterly basis and submitted to the state of Colorado as part of our state rate filing.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

These policies will be guaranteed renewable.

The benefits in these policies are only available to members under the age of 19.

Please see the attached Exhibit 1 (EHB) for the description of benefits.

B. Assumption or Acquisition

The products included in this rate filing were not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2014 to 12/31/2014.

D. Effect of Law Changes

This filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

E. Rate History

As this filing is applicable to new products, there is no rate history. However, attached is a rate history of our Group Dental manual rates for both Colorado and Nationwide since August 2009.

Colorado

SERFF Tracking Number	Effective Date	Minimum Change	Average Change	Maximum Change	Cumulative for past 12 Months
GARD-126236921	8/1/2009	1.20%	1.20%	1.20%	3.65%
GARD-126325845	11/1/2009	-0.30%	-0.30%	-0.30%	2.01%
GARD-126436583	1/1/2010	1.90%	1.90%	1.90%	3.53%
GARD-126587002	6/15/2010	3.50%	3.50%	3.50%	6.41%
GARD-126804616	12/1/2010	-0.53%	-0.53%	-0.53%	6.48%
GARD-127010132	4/1/2011	-1.97%	-1.97%	-1.97%	3.97%
GARD-128050999	4/1/2012	-12.16%	-2.53%	8.04%	1.92%
GARD-128529058	9/1/2012	-4.36%	-0.65%	3.42%	-0.24%
GARD-128709700	12/1/2012	-8.09%	-0.20%	15.45%	-1.91%
GARD-128829387	3/1/2013	-0.35%	1.25%	3.23%	-2.15%
GARD-128956658	6/1/2013	-2.66%	0.00%	3.62%	0.39%

Nationwide

Effective Date	Average Change	Cumulative for past 12 Months
1/1/2011	0.40%	4.41%
4/1/2011	0.65%	2.93%
7/1/2011	0.76%	2.99%
9/1/2011	-0.10%	1.72%
1/1/2012	1.00%	2.33%
4/1/2012	1.53%	3.22%
7/1/2012	1.12%	3.59%
10/1/2012	-0.20%	3.49%
1/1/2013	1.25%	3.74%
4/1/2013	0.00%	2.18%

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

These plans were priced with an expected loss ratio of 65%. The remaining 35% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

Components of Retention	% Premium
Sales / Commissions	8.9%
Administration	14.0%
Premium Tax	2.7%
ACA Health Insurer Fee	4.0%
Exchange Fee	1.4%
Profit	4.0%
Aggregate	35.0%

H. Provision for Profit and Contingencies

Guardian's pre-FIT profit margin is 4.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

Starting Claims Cost – The average 2011 Child Only claims cost per procedure (excluding Ortho) was used to develop starting claim costs for a 100/80/50 Dental plan and an Annual Maximum of \$1,300. This plan design represents the average amount of coverage for our nationwide in-force Group Dental block of business.

Existing claim costs by service code were adjusted to align with the services covered under policy form GC-EHB-SHOP-13-CO. This resulted in a starting claim cost by service category (excluding Ortho).

These nationwide starting claim costs were adjusted for trend and rating region as follows.

Trend Adjustment – Since 2011 claims data was used for the pricing analysis, the starting claims cost per Child net of coinsurance was trended by 1.5% for two years (retrospective trend) plus 5% annually for one year for a total of 8%.

Area Adjustments – We adjust for expected cost and utilization differences by region using the area factors included in our filed Group Rating Manual. Colorado defined 11 rating regions as shown in the supporting exhibit. Using our Group Rate Manual, we calculated the ratio of the area factor for each CO rating region to the nationwide average area factor. The resulting relationship factors are as follows:

Region	1	2	3	4	5	6	7	8	9	10	11
Area Factor	1.051	1.048	1.030	0.983	0.974	0.983	0.974	1.013	0.974	0.981	0.976

The methodology for determining Area Factors in our Group Rate Manual is as follows. We analyze experience by rating area. Claims are pro-rated such that the overall effect of the area factor changes will be close to rate neutral. Areas where the theoretical change in premium is more than 2% are candidates for a change in area factor. In general, the actual change made is about half the theoretical change, adjusting rates gradually over time rather than potentially over-compensating.

This result was then multiplied by the annual number of procedures per child for each service category. This allowed us to convert starting claims cost per procedure to starting claims cost per Child for each service category.

Network Adjustment – Our network discount assumptions from our currently filed Group PPO Factors were used to adjust for discounts on in-network claims. Out-of-network claims will be reimbursed at the in-network fee schedule for policy form GC-EHB-SHOP-13-CO.

Unlimited Max Adjustment – We are estimating that an unlimited maximum on Child Only Dental claims is worth a load of 2.5% vs. an annual maximum of \$1,300. This load was applied to the claims cost per Child. This load was based on a consultant's claim continuance table.

Deductible Adjustment – The expected cost reduction of the deductible was priced at 26% of the deductible amount when waived for preventive services. When the deductible was not waived for preventive services, the expected cost reduction was priced at 66% of the deductible amount. These percentages assume that 26% of covered children receive Basic or Major services and 66% receive any Dental service in a given year. It also assumes the deductible will be less than any allowable charge.

Coinsurance Adjustments – Our currently filed Group coinsurance adjustment factors, which vary by service category, were applied to the resulting claims cost per Child for each service category. These coinsurance adjustment factors account for both cost and utilization.

Out-of-Pocket Maximum – This coverage includes an Out-of-Pocket maximum benefit which pays 100% of in network covered services after the insured child has reached \$700 of in-network out of pocket claim costs. We account for this additional cost in two ways. First, we assume that 1.8% of children are under Medically Necessary Orthodontia treatment in any given year. These children will incur out of pocket costs of \$700 for Orthodontia so all in network non-Orthodontia claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out of pocket expenses for non-Orthodontia treatments. Using a consultant's claim continuance curve, we estimated the cost of the benefits above the threshold. Both of these extra costs were added to the claim costs for each service category.

In-Network Utilization – Our in-network utilization assumptions from our currently filed Group PPO Factors were used to blend the in-network and out-of-network net Child claims costs.

Ortho Rating Methodology

In-Network Starting Claims Cost – We expect the charge for medically necessary orthodontia treatment to be in line with our 36-month fee schedule reimbursement schedule.

We estimate that 0.90% of covered Children will require a medically necessary Orthodontia treatment. This is based on a 3% assumption of Children having an orthodontia claim coupled with a 30% assumption of orthodontia treatments expected to be medically necessary.

Network Adjustment – We assumed that our orthodontia fee schedule was discounted 25% vs. out-of-network orthodontia charges.

Out-of-Network Starting Claims Cost – The network adjustment was backed out of the In-Network Starting Claims Cost to derive the Out-of-Network Starting Claims Cost.

Coinsurance Adjustments – For the PPO High and PPO Low plans, an adjustment of 50% was applied to the in-network starting claims cost and an adjustment of 30% was applied to out-of-network claims costs.

OOP Max Adjustment – The average in-network orthodontia charge was split into 8 quarterly payments to calculate Guardian’s expected payment net of the annual out-of-pocket maximum.

In-Network Utilization – Our in-network utilization assumption for pediatric orthodontia coverage was assumed to be 95%. This was used to blend the in-network claim costs net of coinsurance and the out-of-pocket maximum with the out-of-network starting claim costs.

Other Adjustments

On November 20, 2012, CMS published CMS Form Number: CMS-10433: Initial Plan Data Collection to Support QHP Certification and other Financial Management and Exchange Operations. A part of the collection of this data will be in the form of templates intended to create a nationwide standard of plan- and issuer-level data collection for the use of QHP certification, exchange operations, and oversight activities.

Three or More Children:

In order to complete the rates template for Stand-Alone Dental Products, we are required to enter an individual per Child rate that would be multiplied by the number of children, capping at three for employees with three or more children.

In order to avoid deficiency in our rates for groups with three or more children, we are applying an adjustment of 1.05 to our individual per Child rate submitted in the rates template.

Final Rates

The net Dental and Orthodontia claims costs are added together to determine the overall Child Only claims cost. We are estimating average morbidity will be similar to what we assume for a 25 life group. The overall cost is then divided by a TLR assumption of 65% in order to produce the premium rates for the PPO High and PPO Low plans. Please refer to Exhibit I for the plan designs and premium rates. The actuarial values of the PPO High and PPO Low plans are 85.4% and 68.8%, respectively.

We are also filing our current nationwide quarterly dental trend factor of 1.25%, which is intended to keep premium rates from lagging behind anticipated increases in dental claims costs. This quarterly rate increase will impact premium rates only on policyholder anniversaries.

Rate Development Exhibit

Exhibit 2 contains a derivation of each region's premium rate demonstrating the impact of the adjustments described above.

J. Trend

The annual trend assumption utilized in pricing is 5.0%. This reflects our best estimate of our long term claim cost trend.

K. Credibility

The Guardian's Colorado business meets the Colorado standard for full credibility. We have over 2,000 life years for each of the last 3 years.

L. Data Requirements

Since this is a filing of a new product, no prior history is available. However, attached below is a demonstration of Guardian's Group Dental block for groups with under 50 employees for both Colorado and nationwide.

Colorado (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	360	\$4,076,736	\$2,685,396	65.9%	5,149
2011	340	\$3,890,407	\$2,487,158	63.9%	4,583
2012	336	\$3,835,956	\$2,372,161	61.8%	4,413

Nationwide (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	49,376	\$511,462,063	\$327,411,762	64.0%	618,547
2011	49,734	\$517,199,782	\$325,462,794	62.9%	614,126
2012	50,537	\$528,171,678	\$328,482,103	62.2%	620,707

M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Other Factors**O. Rate Manual**

The rates associated with this filing are static rates that only vary by geographic area as demonstrated in Exhibit 1. The derivation of the rates is shown in Exhibit 2.

Actuarial Value

The following is a demonstration of the actuarial values associated with the pediatric EHB included in this filing.

Actuarial values reflect the expected average share of allowed health spending that is paid for by the plan. This was calculated by comparing the amount a child would pay for a market basket of services covered in Colorado to the Allowed / Fee Schedule in Colorado for that same service. Each service was weighted by the frequency of occurrence.

For the High EHB Plan, the total Allowed / Fee Schedule for all services in Colorado is \$324.24 (“Market Basket for Colorado”). There is no deductible for the High Plan, so this value is the same for “Claims After Deductible”. The coinsurance for this plan is 100% / 80% / 50%, which decreases Guardian’s costs to \$276.31. However, the anticipated increase in costs due to the OOP Maximum is \$1.68. This brings the total Guardian cost to \$277.99. Therefore, the Actuarial Value for the High Plan is as follows:

- Value of Cost Sharing (Member Cost) = \$46.25
- Value of Allowed / Fee Schedule = \$324.24
- Actuarial Value = $1 - \$46.25 / \$324.24 = 85.7\%$

High EHB Plan					
Category of Service	Market Basket for Colorado	Claims After In Network Deductible	Claims After In Network Coinsurance	Claims After OOP Max	Member Cost
Preventive (100%)	\$149.49	\$149.49	\$149.49	\$149.49	\$0.00
Basic (80%)	\$77.05	\$77.05	\$61.64	\$62.01	\$15.04
Major (50%)	\$39.83	\$39.83	\$19.92	\$21.23	\$18.61
Non-Ortho	\$266.38	\$266.38	\$231.05	\$232.73	\$33.65
Ortho	\$57.86	\$57.86	\$45.26	\$45.26	\$12.60
Total	\$324.24	\$324.24	\$276.31	\$277.99	\$46.25
Actuarial Value (= 1 - Member Cost / Market Basket = 1 - 46.25 / 324.24) ----->>>>					85.7%

Low EHB Plan					
Category of Service	Market Basket for Colorado	Claims After In Network Deductible	Claims After In Network Coinsurance	Claims After OOP Max	Member Cost
Preventive (90%)	\$149.49	\$149.49	\$130.66	\$130.99	\$18.51
Basic (70%)	\$77.05	\$52.55	\$35.42	\$36.59	\$40.46
Major (40%)	\$39.83	\$38.03	\$13.50	\$17.37	\$22.46
Non-Ortho	\$266.38	\$240.08	\$179.58	\$184.95	\$81.43
Ortho	\$57.86	\$57.86	\$45.26	\$45.26	\$12.60
Total	\$324.24	\$297.94	\$224.84	\$230.21	\$94.03
Actuarial Value (= 1 - Member Cost / Market Basket = 1 - 94.03 / 324.24) ----->>>>					71.0%

Actuarial Certification

I, Anthony J. Tobia, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This actuarial memorandum has been prepared for the sole purpose of demonstrating the proposed rate schedules are reasonable and this memorandum may not be appropriate for other purposes.

In my opinion, the premium rates and rating methodology to which this certification applies are neither excessive, inadequate nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of Colorado. The premium and rating methodology to which this certification applies conforms to all applicable Actuarial Standards of Practice, including ASOP no. 8.

I am of the opinion that this filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

I certify that the Actuarial Values of the EHB plans are 85.7% for the High Plan and 71.0% for the Low Plan as determined using generally accepted actuarial principles.



Anthony J. Tobia, FSA, MAAA
Associate Actuary
Group Products - Actuarial

7/22/2013
Date

Actuarial Memorandum

A. Summary

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Supplemental policies effective January 1, 2014. The development of these rates is intended to maintain consistency with our Group Dental rate manual. As these rates are being developed for new contracts, there is no premium history, prior experience, or loss ratios to report.

The benefits included in these policies cover subscribers and their dependents. The Pediatric Dental Essential Health Benefit is included for those members under age 19.

The majority of rating factors and pricing assumptions used in determining our proposed rates are consistent with those currently used for Group business in the state of Colorado. Our Group Dental rates in Colorado are updated on a quarterly basis and submitted to the state of Colorado as part of our state rate filing.

These plans will be marketed on exchange as well as off exchange through our field force of agents and general agents as well as brokers.

These policies will be guaranteed renewable.

Please see the attached Exhibit 1 (Supp) for the description of benefits.

B. Assumption or Acquisition

The products included in this rate filing were not part of an assumption or acquisition of policies from another company.

C. Rating Period

The proposed effective date is 1/1/2014 and the rating period is from 1/1/2013 to 3/31/2014.

D. Effect of Law Changes

There is no impact to rates due to changes in laws or regulations

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E. Rate History

As this filing is applicable to new products, there is no rate history. However, attached is a rate history of our Group Dental manual rates for both Colorado and Nationwide since August 2009.

Colorado

SERFF Tracking Number	Effective Date	Minimum Change	Average Change	Maximum Change	Cumulative for past 12 Months
GARD-126236921	8/1/2009	1.20%	1.20%	1.20%	3.65%
GARD-126325845	11/1/2009	-0.30%	-0.30%	-0.30%	2.01%
GARD-126436583	1/1/2010	1.90%	1.90%	1.90%	3.53%
GARD-126587002	6/15/2010	3.50%	3.50%	3.50%	6.41%
GARD-126804616	12/1/2010	-0.53%	-0.53%	-0.53%	6.48%
GARD-127010132	4/1/2011	-1.97%	-1.97%	-1.97%	3.97%
GARD-128050999	4/1/2012	-12.16%	-2.53%	8.04%	1.92%
GARD-128529058	9/1/2012	-4.36%	-0.65%	3.42%	-0.24%
GARD-128709700	12/1/2012	-8.09%	-0.20%	15.45%	-1.91%
GARD-128829387	3/1/2013	-0.35%	1.25%	3.23%	-2.15%
GARD-128956658	6/1/2013	-2.66%	0.00%	3.62%	0.39%

Nationwide

Effective Date	Average Change	Cumulative for past 12 Months
1/1/2011	0.40%	4.41%
4/1/2011	0.65%	2.93%
7/1/2011	0.76%	2.99%
9/1/2011	-0.10%	1.72%
1/1/2012	1.00%	2.33%
4/1/2012	1.53%	3.22%
7/1/2012	1.12%	3.59%
10/1/2012	-0.20%	3.49%
1/1/2013	1.25%	3.74%
4/1/2013	0.00%	2.18%

F. Coordination of Benefits

This rate filing reflects actual loss experience net of any savings associated with coordination of benefits and/or subrogation.

G. Relationship of Benefits to Premium

These plans were priced with an expected loss ratio of 65%. The remaining 35% is intended to provide for expenses and profit. Below is the breakdown of the expense assumptions:

Components of Retention	% Premium
Sales / Commissions	8.9%
Administration	14.0%
Premium Tax	2.7%
ACA Health Insurer Fee	4.0%
Exchange Fee	1.4%
Profit	4.0%
Aggregate	35.0%

H. Provision for Profit and Contingencies

Guardian's profit margin is 4.0%. There is no contingency and risk margin built into our pricing.

I. Complete Explanation as to How the Proposed Rates were Determined

We used our Group rate manual effective 1/1/2013, to develop a 4-tier rate for a 100/80/50 passive PPO plan design for group sizes 16-49. These rates assume an annual maximum of \$1,000.

In order to derive expected non-Orthodontia claim costs for the four plans, we extracted claims from the manual rates above and applied factors from our rate manual to reflect the plan designs depicted in the Supplemental schedules referenced above. The adjustments accounted for:

- Area
- Coinsurance
- Deductible
- Annual Maximum
- Moved or Non-Covered Services
- Out of Network claims which will be reimbursed at the in-network fee schedule
- Any associated network impacts (utilization, redirection) resulting from the new plan design
- 5% Annual Trend

We are estimating average morbidity will be similar to what we assume for a 25 life group.

The result was a four-tier rate (Individual, Individual + Spouse, Individual + Children, Family) for each of Colorado's 11 rating areas consistent with our rate manual. For Exchange business, we are given the opportunity to rate on an 8-tier basis (Individual, Individual + Spouse, Individual + 1 Child, Individual + 2 Children, Individual + 3 Or More Children, Individual + Spouse + 1 Child, Individual + Spouse + 2 Children, Individual + Spouse + 3 Or More Children). In order to accomplish this, we extracted the child rate from our standard 4-tier structure and

assumed 1 child for the +1 Child tier, 2 children for the +2 Children tier, and 3.5 children for the 3+ Children tier.

Inclusion of Essential Health Benefits

Because these plans include coverage of the pediatric Dental component of Essential Health Benefits, we need to reflect the additional cost of three claim components for children aged 18 and below. Essential Health Benefits require an Unlimited Annual Maximum, a \$700 Out of Pocket Maximum (after which, all in network claims are paid at 100%), and coverage for Medically Necessary Orthodontia with no Lifetime Maximum.

Unlimited Annual Maximum

In order to calculate the cost of an Unlimited Annual Maximum, we used factors from a consultant rate manual to estimate expected impact on Child claim costs. The result was a 2.00% load relative to a \$1,500 Annual Maximum for the High plans and a load of 3.90% relative to a \$1,000 Annual Maximum for the Low plans.

Impact of Out-of-Pocket Maximum on Non-Ortho Claims

This coverage includes an Out-of-Pocket maximum benefit which pays 100% of in network covered services after the insured child has reached \$700 of in-network out of pocket claim costs. We account for this additional cost in two ways. First, we assume that 1.8% of children are under Medically Necessary Orthodontia treatment in any given year. These children will incur out of pocket costs of \$700 for Orthodontia so all in network non-Orthodontia claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out of pocket expenses for non-Orthodontia treatments. Using a consultant's claim continuance curve, we estimated the cost of the benefits above the threshold. Both of these extra costs were added to the child claim costs.

Medically Necessary Orthodontia

- In-Network Starting Claims Cost – We expect the charge for medically necessary orthodontia treatment to be in line with our 36-month fee schedule reimbursement schedule.
- We estimate that 0.90% of covered Children will require a medically necessary Orthodontia treatment. This is based on a 3% assumption of Children having an orthodontia claim coupled with a 30% assumption of orthodontia treatments expected to be medically necessary.
- Network Adjustment – We assumed that our orthodontia fee schedule was discounted 25% vs. out-of-network orthodontia charges.
- Out-of-Network Starting Claims Cost – The network adjustment was backed out of the In-Network Starting Claims Cost to derive the Out-of-Network Starting Claims Cost.

- Coinsurance Adjustments – For the PPO High and PPO Low plans, an adjustment of 50% was applied to the in-network starting claims cost and an adjustment of 30% was applied to out-of-network claims costs.
- OOP Max Adjustment – The average in-network orthodontia charge was split into 8 quarterly payments to calculate Guardian’s expected payment net of the annual out-of-pocket maximum.
- In-Network Utilization_– Our in-network utilization assumption for pediatric orthodontia coverage was assumed to be 95%. This was used to blend the in-network claim costs net of coinsurance and the out-of-pocket maximum with the out-of-network starting claim costs.

Cosmetic Orthodontia Rating Methodology (when included)

We used our current rate manual to calculate an expected Orthodontia claim cost for the plan designs depicted in the Supplemental schedules referenced above for each of Colorado’s 11 rating areas. Since we estimate that 30% of Orthodontia is Medically Necessary and included as part of the Essential Health Benefits, we calculate the cosmetic Orthodontia benefit cost as 70% of the amount derived by our rate manual.

Final Rates

The net Dental and Orthodontia claim costs are added together for each of the four plan designs. The overall cost is then divided by a Target Loss Ratio assumption of 65% in order to produce the premium rates for the four plan designs. Please refer to Exhibit I for the plan designs and premium rates.

We are also filing our current nationwide quarterly dental trend factor of 1.25%, which is intended to keep premium rates from lagging behind anticipated increases in dental claims costs. This quarterly rate increase will impact premium rates only on policyholder anniversaries.

J. Trend

The annual trend assumption utilized in pricing is 5.0%. This reflects our best estimate of our long term claim cost trend.

K. Credibility

The Guardian’s Colorado business meets the Colorado standard for full credibility. We have over 2,000 life years for each of the last 3 years.

L. Data Requirements

Since this is a filing of a new product, no prior history is available. However, attached below is a demonstration of Guardian's Group Dental block for groups with under 50 employees for both Colorado and nationwide.

Colorado (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	360	\$4,076,736	\$2,685,396	65.9%	5,149
2011	340	\$3,890,407	\$2,487,158	63.9%	4,583
2012	336	\$3,835,956	\$2,372,161	61.8%	4,413

Nationwide (<50 Group Dental)

Year	Group Count	Earned Premium	Incurred Claims	Loss Ratio	Average Covered Lives
2010	49,376	\$511,462,063	\$327,411,762	64.0%	618,547
2011	49,734	\$517,199,782	\$325,462,794	62.9%	614,126
2012	50,537	\$528,171,678	\$328,482,103	62.2%	620,707

M. Side-by-Side Comparison

This is an initial rate filing for this product.

N. Other Factors

O. Rate Manual

The rates associated with this filing are static rates that only vary by geographic area as demonstrated in Exhibit 1.

Actuarial Certification

I, Anthony J. Tobia, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This actuarial memorandum has been prepared for the sole purpose of demonstrating the proposed rate schedules are reasonable and this memorandum may not be appropriate for other purposes.

In my opinion, the premium rates and rating methodology to which this certification applies are neither excessive, inadequate nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of Colorado. The premium and rating methodology to which this certification applies conforms to all applicable Actuarial Standards of Practice, including ASOP no. 8.

I am of the opinion that this filing is in compliance with the applicable Federal and State laws and regulations concerning the Patient Protection and Affordable Care Act of 2010.

I certify that the Actuarial Values of the included pediatric EHB benefits are 85.7% for the High Plan and 71.0% for the Low Plan as determined using generally accepted actuarial principles.



Anthony J. Tobia, FSA, MAAA
Associate Actuary
Group Products - Actuarial

7/22/2013
Date

Colorado SHOP Exchange Plan Designs

EHB (age 18 and under)

	EHB High Plan		EHB Low Plan	
	INN	OON	INN	OON
Diagnostic & Preventive	100%	80%	90%	0%
Basic Services	80%	60%	70%	0%
Major Services	50%	30%	40%	0%
Ortho (Med Nec)	50%	30%	50%	0%
Reimbursement Basis	Fee Sched	Fee Sched	Fee Sched	Fee Sched
Deductible	\$0	\$50 NWP	\$100 WP	N/A
Annual Maximum	N/A	N/A	N/A	N/A
Annual OOP Maximum	\$700	N/A	\$700	N/A
Ortho Lifetime Maximum	N/A	N/A	N/A	N/A
Waiting Periods	None	None	None	None
Actuarial Value	85.7%		71.0%	

Colorado SHOP Exchange
EHB Dental Rates per Child, Effective Dates 1/1/2014-3/31/2014

		PPO High	PPO Low
Region 1	Boulder	\$ 34.38	\$ 27.83
Region 2	El Paso, Teller	\$ 34.29	\$ 27.76
Region 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park	\$ 33.72	\$ 27.32
Region 4	Larimer	\$ 32.29	\$ 26.18
Region 5	Mesa	\$ 32.03	\$ 25.97
Region 6	Weld	\$ 32.29	\$ 26.18
Region 7	Pueblo	\$ 32.03	\$ 25.97
Region 8	Baca, Bent, Cheyenne, Crowley, Custer, Fremont, Huefano, Kiowa, Kit Carson, Las Animas, Lincoln, Otero, Prowers, Alamosa, Chaffee, Conejos, Costilla, Rio Grande, Saguache	\$ 33.18	\$ 26.90
Region 9	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma	\$ 32.03	\$ 25.97
Region 10	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake, Mineral, Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt,	\$ 32.24	\$ 26.14
Region 11	Eagle, Garfield, Pitkin, Summit	\$ 32.08	\$ 26.01

Colorado SHOP Exchange Plan Designs

EHB (age 18 and under)

	EHB High Plan		EHB Low Plan	
	INN	OON	INN	OON
Diagnostic & Preventive	100%	80%	90%	0%
Basic Services	80%	60%	70%	0%
Major Services	50%	30%	40%	0%
Ortho (Med Nec)	50%	30%	50%	0%
Reimbursement Basis	Fee Sched	Fee Sched	Fee Sched	Fee Sched
Deductible	\$0	\$50 NWP	\$100 WP	N/A
Annual Maximum	N/A	N/A	N/A	N/A
Annual OOP Maximum	\$700	N/A	\$700	N/A
Ortho Lifetime Maximum	N/A	N/A	N/A	N/A
Waiting Periods	None	None	None	None
Actuarial Value	85.7%		71.0%	

Colorado SHOP Exchange
EHB Dental Rates per Child, Effective Dates 1/1/2014-3/31/2014

		PPO High	PPO Low
Region 1	Boulder	\$ 27.43	\$ 21.35
Region 2	El Paso, Teller	\$ 27.34	\$ 21.28
Region 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park	\$ 26.80	\$ 20.84
Region 4	Larimer	\$ 25.43	\$ 19.71
Region 5	Mesa	\$ 25.18	\$ 19.50
Region 6	Weld	\$ 25.43	\$ 19.71
Region 7	Pueblo	\$ 25.18	\$ 19.50
Region 8	Baca, Bent, Cheyenne, Crowley, Custer, Fremont, Huefano, Kiowa, Kit Carson, Las Animas, Lincoln, Mineral, Otero, Prowers, Alamosa, Chaffee, Conejos, Costilla, Rio Grande, Saguache	\$ 26.30	\$ 20.43
Region 9	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma	\$ 25.18	\$ 19.50
Region 10	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake, Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt, San Juan, San Miguel	\$ 25.39	\$ 19.67
Region 11	Eagle, Garfield, Pitkin, Summit	\$ 25.22	\$ 19.54

Colorado Exchange Plan Designs

Supplemental Plans

	High Plan w/o Ortho	
	INN	OON
Diagnostic & Preventive	100%	80%
Basic Services	80%	60%
Major Services	50%	30%
Cosmetic Ortho (Child)	N/A	N/A
Reimbursement Basis	Fee Sched	Fee Sched
Deductible	0	\$50 NWP
Ortho Lifetime Max	N/A	N/A
Waiting Periods (Major & Ortho)	12-month	12-month
Included EHB Design (for <19)	High Plan	

Low Plan w/o Ortho	
INN	OON
90%	0%
70%	0%
40%	0%
N/A	N/A
Fee Sched	Fee Sched
\$100 WP	N/A
N/A	N/A
12-month	12-month
Low Plan	

High Plan with Ortho	
INN	OON
100%	80%
80%	60%
50%	30%
50%	30%
Fee Sched	Fee Sched
0	\$50 NWP
\$1,500	\$1,500
12-month	12-month
High Plan	

Low Plan with Ortho	
INN	OON
90%	0%
70%	0%
40%	0%
50%	0%
Fee Sched	Fee Sched
\$100 WP	N/A
\$1,000	N/A
12-month	12-month
Low Plan	

Monthly Premium Rates for Colorado SHOP Exchange

Region 1	Boulder
Region 2	El Paso, Teller
Region 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park
Region 4	Larimer
Region 5	Mesa
Region 6	Weld
Region 7	Pueblo
Region 8	Baca, Bent, Cheyenne, Crowley, Custer, Fremont, Huefano, Kiowa, Kit Carson, Las Animas, Lincoln, Mineral, Otero, Prowers, Alamosa, Chaffee, Conejos, Costilla, Rio Grande, Saguache
Region 9	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma
Region 10	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake, Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt, San Juan, San Miguel
Region 11	Eagle, Garfield, Pitkin, Summit

	High Plan w/o Ortho	High Plan with Ortho	Low Plan w/o Ortho	Low Plan with Ortho
Rating Area 1				
1 Adult	\$ 31.02	\$ 31.02	\$ 23.09	\$ 23.09
2 Adults	\$ 62.11	\$ 62.11	\$ 46.24	\$ 46.24
1 Adult + 1 Child	\$ 54.17	\$ 61.70	\$ 40.96	\$ 45.99
1 Adult + 2 Children	\$ 77.31	\$ 92.39	\$ 58.83	\$ 68.88
1 Adult + 3 Children	\$ 112.03	\$ 138.41	\$ 85.64	\$ 103.22
2 Adults + 1 Child	\$ 85.26	\$ 92.79	\$ 64.11	\$ 69.13
2 Adults + 2 Children	\$ 108.40	\$ 123.47	\$ 81.98	\$ 92.03
2 Adults + 3 Children	\$ 143.12	\$ 169.50	\$ 108.78	\$ 126.37
Rating Area 2				
1 Adult	\$ 30.93	\$ 30.93	\$ 23.03	\$ 23.03
2 Adults	\$ 61.93	\$ 61.93	\$ 46.10	\$ 46.10
1 Adult + 1 Child	\$ 54.01	\$ 61.54	\$ 40.85	\$ 45.86
1 Adult + 2 Children	\$ 77.09	\$ 92.14	\$ 58.67	\$ 68.70
1 Adult + 3 Children	\$ 111.70	\$ 138.05	\$ 85.39	\$ 102.96
2 Adults + 1 Child	\$ 85.01	\$ 92.54	\$ 63.92	\$ 68.94
2 Adults + 2 Children	\$ 108.09	\$ 123.14	\$ 81.74	\$ 91.78
2 Adults + 3 Children	\$ 142.70	\$ 169.05	\$ 108.47	\$ 126.03
Rating Area 3				
1 Adult	\$ 30.40	\$ 30.40	\$ 22.63	\$ 22.63
2 Adults	\$ 60.86	\$ 60.86	\$ 45.31	\$ 45.31
1 Adult + 1 Child	\$ 53.08	\$ 60.53	\$ 40.15	\$ 45.12
1 Adult + 2 Children	\$ 75.76	\$ 90.66	\$ 57.67	\$ 67.60
1 Adult + 3 Children	\$ 109.79	\$ 135.86	\$ 83.95	\$ 101.33
2 Adults + 1 Child	\$ 83.55	\$ 91.00	\$ 62.83	\$ 67.80
2 Adults + 2 Children	\$ 106.23	\$ 121.13	\$ 80.35	\$ 90.28
2 Adults + 3 Children	\$ 140.25	\$ 166.32	\$ 106.63	\$ 124.01
Rating Area 4				
1 Adult	\$ 29.01	\$ 29.01	\$ 21.59	\$ 21.59
2 Adults	\$ 58.07	\$ 58.07	\$ 43.23	\$ 43.23
1 Adult + 1 Child	\$ 50.65	\$ 57.90	\$ 38.33	\$ 43.16
1 Adult + 2 Children	\$ 72.30	\$ 86.79	\$ 55.06	\$ 64.72
1 Adult + 3 Children	\$ 104.78	\$ 130.13	\$ 80.17	\$ 97.07
2 Adults + 1 Child	\$ 79.72	\$ 86.97	\$ 59.97	\$ 64.80
2 Adults + 2 Children	\$ 101.37	\$ 115.86	\$ 76.70	\$ 86.36
2 Adults + 3 Children	\$ 133.84	\$ 159.20	\$ 101.81	\$ 118.71
Rating Area 5				
1 Adult	\$ 28.74	\$ 28.74	\$ 21.40	\$ 21.40
2 Adults	\$ 57.55	\$ 57.55	\$ 42.84	\$ 42.84
1 Adult + 1 Child	\$ 50.20	\$ 57.41	\$ 37.99	\$ 42.79
1 Adult + 2 Children	\$ 71.65	\$ 86.07	\$ 54.57	\$ 64.19
1 Adult + 3 Children	\$ 103.83	\$ 129.06	\$ 79.45	\$ 96.28
2 Adults + 1 Child	\$ 79.00	\$ 86.21	\$ 59.43	\$ 64.24
2 Adults + 2 Children	\$ 100.46	\$ 114.87	\$ 76.02	\$ 85.63
2 Adults + 3 Children	\$ 132.64	\$ 157.87	\$ 100.90	\$ 117.72

Rating Area 6

1 Adult	\$ 29.01	\$ 29.01	\$ 21.59	\$ 21.59
2 Adults	\$ 58.07	\$ 58.07	\$ 43.23	\$ 43.23
1 Adult + 1 Child	\$ 50.65	\$ 57.90	\$ 38.33	\$ 43.16
1 Adult + 2 Children	\$ 72.30	\$ 86.79	\$ 55.06	\$ 64.72
1 Adult + 3 Children	\$ 104.78	\$ 130.13	\$ 80.17	\$ 97.07
2 Adults + 1 Child	\$ 79.72	\$ 86.97	\$ 59.97	\$ 64.80
2 Adults + 2 Children	\$ 101.37	\$ 115.86	\$ 76.70	\$ 86.36
2 Adults + 3 Children	\$ 133.84	\$ 159.20	\$ 101.81	\$ 118.71

Rating Area 7

1 Adult	\$ 28.74	\$ 28.74	\$ 21.40	\$ 21.40
2 Adults	\$ 57.55	\$ 57.55	\$ 42.84	\$ 42.84
1 Adult + 1 Child	\$ 50.20	\$ 57.41	\$ 37.99	\$ 42.79
1 Adult + 2 Children	\$ 71.65	\$ 86.07	\$ 54.57	\$ 64.19
1 Adult + 3 Children	\$ 103.83	\$ 129.06	\$ 79.45	\$ 96.28
2 Adults + 1 Child	\$ 79.00	\$ 86.21	\$ 59.43	\$ 64.24
2 Adults + 2 Children	\$ 100.46	\$ 114.87	\$ 76.02	\$ 85.63
2 Adults + 3 Children	\$ 132.64	\$ 157.87	\$ 100.90	\$ 117.72

Rating Area 8

1 Adult	\$ 29.89	\$ 29.89	\$ 22.25	\$ 22.25
2 Adults	\$ 59.84	\$ 59.84	\$ 44.55	\$ 44.55
1 Adult + 1 Child	\$ 52.19	\$ 59.67	\$ 39.48	\$ 44.47
1 Adult + 2 Children	\$ 74.50	\$ 89.45	\$ 56.72	\$ 66.69
1 Adult + 3 Children	\$ 107.95	\$ 134.12	\$ 82.56	\$ 100.01
2 Adults + 1 Child	\$ 82.15	\$ 89.62	\$ 61.78	\$ 66.77
2 Adults + 2 Children	\$ 104.45	\$ 119.41	\$ 79.01	\$ 88.98
2 Adults + 3 Children	\$ 137.91	\$ 164.08	\$ 104.86	\$ 122.31

Rating Area 9

1 Adult	\$ 28.74	\$ 28.74	\$ 21.40	\$ 21.40
2 Adults	\$ 57.55	\$ 57.55	\$ 42.84	\$ 42.84
1 Adult + 1 Child	\$ 50.20	\$ 57.41	\$ 37.99	\$ 42.79
1 Adult + 2 Children	\$ 71.65	\$ 86.07	\$ 54.57	\$ 64.19
1 Adult + 3 Children	\$ 103.83	\$ 129.06	\$ 79.45	\$ 96.28
2 Adults + 1 Child	\$ 79.00	\$ 86.21	\$ 59.43	\$ 64.24
2 Adults + 2 Children	\$ 100.46	\$ 114.87	\$ 76.02	\$ 85.63
2 Adults + 3 Children	\$ 132.64	\$ 157.87	\$ 100.90	\$ 117.72

Rating Area 10

1 Adult	\$ 28.96	\$ 28.96	\$ 21.56	\$ 21.56
2 Adults	\$ 57.99	\$ 57.99	\$ 43.17	\$ 43.17
1 Adult + 1 Child	\$ 50.58	\$ 57.82	\$ 38.27	\$ 43.10
1 Adult + 2 Children	\$ 72.19	\$ 86.68	\$ 54.98	\$ 64.64
1 Adult + 3 Children	\$ 104.62	\$ 129.98	\$ 80.05	\$ 96.95
2 Adults + 1 Child	\$ 79.60	\$ 86.85	\$ 59.88	\$ 64.71
2 Adults + 2 Children	\$ 101.22	\$ 115.71	\$ 76.59	\$ 86.25
2 Adults + 3 Children	\$ 133.64	\$ 159.00	\$ 101.66	\$ 118.56

Rating Area 11

1 Adult	\$ 28.79	\$ 28.79	\$ 21.44	\$ 21.44
2 Adults	\$ 57.65	\$ 57.65	\$ 42.92	\$ 42.92
1 Adult + 1 Child	\$ 50.28	\$ 57.50	\$ 38.05	\$ 42.86
1 Adult + 2 Children	\$ 71.77	\$ 86.21	\$ 54.67	\$ 64.29
1 Adult + 3 Children	\$ 104.01	\$ 129.28	\$ 79.59	\$ 96.44
2 Adults + 1 Child	\$ 79.14	\$ 86.36	\$ 59.53	\$ 64.34
2 Adults + 2 Children	\$ 100.63	\$ 115.07	\$ 76.15	\$ 85.77
2 Adults + 3 Children	\$ 132.86	\$ 158.14	\$ 101.07	\$ 117.92



Actuarial Rate Filing & Memorandum

Plan Description

Policy form GC-EHB-SHOP-13-CO provides Group pediatric dental expense coverage for children under the age of 19. The benefit schedules covered under the policy form are SCH1-EHB-PPOHIGH-SHOP-CO and SCH2-EHB-PPLOW-SHOP-CO, which will be referred to as the PPO High and PPO Low plans, respectively.

These Child Only dental plans pay a specified percentage of covered charges based on class of service (Diagnostic & Preventive, Basic, or Major) in excess of the deductible (\$0 in-network/\$50 out-of-network for the High Plan, \$100 for the Low Plan) where applicable. These plans are also subject to an in-network Out-of-Pocket maximum of \$700.

Purpose of Memorandum

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Child Only policies effective January 1, 2014. The development of these rates is intended to maintain consistency with our Group Dental rate manual. As these rates are being developed for new contracts, there is no premium history, prior experience, or loss ratios to report.

The majority of rating factors and pricing assumptions used in determining our proposed rates are consistent with those currently used for Group business in the state of Colorado. Our Group Dental rates in Colorado are updated on a quarterly basis and submitted to the state of Colorado as part of our state rate filing.

Dental Rating Methodology

Starting Claims Cost – The average 2011 Child Only claims cost per procedure (excluding Ortho) was used to develop starting claim costs for a 100/80/50 Dental plan and an Annual Maximum of \$1,300. This plan design represents the average amount of coverage for our in-force Group Dental block of business.

Existing claim costs by service code were adjusted to align with the services covered under policy form GC-EHB-SHOP-13-CO. This resulted in a starting claim cost by service category (excluding Ortho).



These nationwide starting claim costs were adjusted for trend and rating region as follows.

Trend Adjustment – Since 2011 claims data was used for the pricing analysis, the starting claims cost per Child net of coinsurance was trended by 1.5% for two years (retrospective trend) plus 5% annually for one year for a total of 8%.

Area Adjustments – Our currently filed Group area factors vs. our nationwide weighted average Group area factor was used to adjust for expected cost and utilization differences by region. Colorado defined 11 rating regions as shown in the supporting exhibit.

This result was then multiplied by the annual number of procedures per child for each service category. This allowed us to convert starting claims cost per procedure to starting claims cost per Child for each service category.

Network Adjustment – Our network discount assumptions from our currently filed Group PPO Factors were used to adjust for discounts on in-network claims. Out-of-network claims will be reimbursed at the in-network fee schedule for policy form GC-EHB-SHOP-13-CO.

Unlimited Max Adjustment – We are estimating that an unlimited maximum on Child Only Dental claims is worth a load of 2.5% vs. an annual maximum of \$1,300. This load was applied to the claims cost per Child.

Deductible Adjustment – The expected cost reduction of the deductible was priced at 26% of the deductible amount when waived for preventive services. When the deductible was not waived for preventive services, the expected cost reduction was priced at 66% of the deductible amount. These percentages assume that 26% of covered children receive Basic or Major services and 66% receive any Dental service in a given year. It also assumes the deductible will be less than any allowable charge.

Coinsurance Adjustments – Our currently filed Group coinsurance adjustment factors, which vary by service category, were applied to the resulting claims cost per Child for each service category. These coinsurance adjustment factors account for both cost and utilization.

Out-of-Pocket Maximum – This coverage includes an Out-of-Pocket maximum benefit which pays 100% of in network covered services after the insured child has reached \$700 of in-network out of pocket claim costs. We account for this additional cost in two ways. First, we assume that 1.8% of children are under Medically Necessary Orthodontia treatment in any given year. These children will incur out of pocket costs of \$700 for Orthodontia so all in network non-Orthodontia claims will be paid at 100%. Second, we



used an estimate of the percent of children who will reach \$700 in out of pocket expenses for non-Orthodontia treatments. Using a consultant's claim continuance curve, we estimated the cost of the benefits above the threshold. Both of these extra costs were added to the claim costs for each service category.

In-Network Utilization – Our in-network utilization assumptions from our currently filed Group PPO Factors were used to blend the in-network and out-of-network net Child claims costs.

Ortho Rating Methodology

In-Network Starting Claims Cost – We expect the charge for medically necessary orthodontia treatment to be in line with our 36-month fee schedule reimbursement schedule.

We estimate that 0.90% of covered Children will require a medically necessary Orthodontia treatment. This is based on a 3% assumption of Children having an orthodontia claim coupled with a 30% assumption of orthodontia treatments expected to be medically necessary.

Network Adjustment – We assumed that our orthodontia fee schedule was discounted 25% vs. out-of-network orthodontia charges.

Out-of-Network Starting Claims Cost – The network adjustment was backed out of the In-Network Starting Claims Cost to derive the Out-of-Network Starting Claims Cost.

Coinsurance Adjustments – For the PPO High and PPO Low plans, an adjustment of 50% was applied to the in-network starting claims cost and an adjustment of 30% was applied to out-of-network claims costs.

OOP Max Adjustment – The average in-network orthodontia charge was split into 8 quarterly payments to calculate Guardian's expected payment net of the annual out-of-pocket maximum.

In-Network Utilization – Our in-network utilization assumption for pediatric orthodontia coverage was assumed to be 95%. This was used to blend the in-network claim costs net of coinsurance and the out-of-pocket maximum with the out-of-network starting claim costs.



Other Adjustments

On November 20, 2012, CMS published CMS Form Number: CMS-10433: Initial Plan Data Collection to Support QHP Certification and other Financial Management and Exchange Operations. A part of the collection of this data will be in the form of templates intended to create a nationwide standard of plan- and issuer-level data collection for the use of QHP certification, exchange operations, and oversight activities.

Three or More Children:

In order to complete the rates template for Stand-Alone Dental Products, we are required to enter an individual per Child rate that would be multiplied by the number of children, capping at three for employees with three or more children.

In order to avoid deficiency in our rates for groups with three or more children, we are applying an adjustment of 1.05 to our individual per Child rate submitted in the rates template.

Final Rates

The net Dental and Orthodontia claims costs are added together to determine the overall Child Only claims cost. We are estimating average morbidity will be similar to what we assume for a 25 life group. The overall cost is then divided by a TLR assumption of 65% in order to produce the premium rates for the PPO High and PPO Low plans. Please refer to Exhibit I for the plan designs and premium rates. The actuarial values of the PPO High and PPO Low plans are 85.4% and 68.8%, respectively.

We are also filing our current nationwide quarterly dental trend factor of 1.25%, which is intended to keep premium rates from lagging behind anticipated increases in dental claims costs. This quarterly rate increase will impact premium rates only on policyholder anniversaries.

Actuarial Certification

I, Anthony J. Tobia, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This actuarial memorandum has been prepared for the sole purpose of demonstrating the proposed rate schedules are reasonable and this memorandum may not be appropriate for other purposes. In my opinion, the premium rates and rating methodology to which this certification applies are neither



excessive, inadequate nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of Colorado. The premium and rating methodology to which this certification applies also conforms to all applicable Actuarial Standards of Practice, including ASOP no. 8.

A handwritten signature in black ink, appearing to read 'Anthony J. Tobia', written in a cursive style.

Anthony J. Tobia, FSA, MAAA
Associate Actuary
Group Products - Actuarial

6/19/2013
Date



Actuarial Rate Filing & Memorandum

Plan Description

Certificate GC-SUPP-SHOP-13-CO provides Group dental expense coverage for covered persons and their dependents. These plans pay a specified percentage of covered charges based on class of service (Diagnostic & Preventive, Basic, or Major) in excess of the deductible, where applicable. This policy is also subject to Annual and Lifetime maximums (depending on whether Orthodontia is covered). These plans also incorporate the pediatric dental services which are part of the essential health benefits as defined by the state of Colorado.

There are four benefit schedules. The first covers Orthodontia and includes an EHB benefit with an 85.4% Actuarial Value. The benefit schedule for this plan is SCH1-SUPP-PPOHIGHORTH-SHOP-CO and will be referred to as the High Plan with Ortho. The second does not cover Orthodontia and includes an EHB benefit with an 85.4% Actuarial Value. The benefit schedule for this plan is SCH1-SUPP-PPOHIGH-SHOP-CO and will be referred to as the High Plan w/o Ortho. The third plan covers Orthodontia and includes an EHB benefit with an Actuarial Value of 68.8%. The benefit schedule for this plan is SCH4-SUPP-PPLOWORTH-SHOP-CO and will be referred to as the Low Plan with Ortho. The fourth plan does not cover Orthodontia and includes an EHB benefit with an Actuarial Value of 68.8%. The benefit schedule for this plan is SCH4-SUPP-PPLOW-SHOP-CO and will be referred to as the Low Plan w/o Ortho.

Purpose of Memorandum

The purpose of this actuarial memorandum is to provide actuarial justification for the initial proposed rates for The Guardian Life Insurance Company of America's new Supplemental policies effective January 1, 2014. The development of these rates is intended to maintain consistency with our Group Dental rate manual. As these rates are being developed for new contracts, there is no premium history, prior experience, or loss ratios to report.

The majority of rating factors and pricing assumptions used in determining our proposed rates are consistent with those currently used for Group business in the state of Colorado. Our Group Dental rates in Colorado are updated on a quarterly basis and submitted to the state of Colorado as part of our state rate filing.



Dental Rating Methodology

We used our Group rate manual effective 1/1/2013, to develop a rate for a 100/80/50 passive PPO plan design for group sizes 16-49. These rates assume an annual maximum of \$1,000. The expected loss ratio for these starting rates is 65.5%.

In order to derive expected non-Orthodontia claim costs for the four plans, we extracted claims from the manual rates above and applied factors from our rate manual to reflect the plan designs depicted in the Supplemental schedules referenced above. The adjustments accounted for:

- Area
- Coinsurance
- Deductible
- Annual Maximum
- Moved or Non-Covered Services
- Out of Network claims which will be reimbursed at the in-network fee schedule
- Any associated network impacts (utilization, redirection) resulting from the new plan design
- 5% Annual Trend

We are estimating average morbidity will be similar to what we assume for a 25 life group.

The result was a four-tier rate (Individual, Individual + Spouse, Individual + Children, Family) for each of Colorado's 11 rating areas consistent with our rate manual.

Inclusion of Essential Health Benefits

Because these plans include coverage of the pediatric Dental component of Essential Health Benefits, we need to reflect the additional cost of three claim components for children aged 18 and below. Essential Health Benefits require an Unlimited Annual Maximum, a \$700 Out of Pocket Maximum (after which, all in network claims are paid at 100%), and coverage for Medically Necessary Orthodontia with no Lifetime Maximum.

Unlimited Annual Maximum

In order to calculate the cost of an Unlimited Annual Maximum, we used factors from a consultant rate manual to estimate expected impact on Child claim costs. The result was



a 1.68% load relative to a \$1,500 Annual Maximum for the High plans and a load of 3.53% relative to a \$1,000 Annual Maximum for the Low plans .

Impact of Out-of-Pocket Maximum on Non-Ortho Claims

This coverage includes an Out-of-Pocket maximum benefit which pays 100% of in network covered services after the insured child has reached \$700 of in-network out of pocket claim costs. We account for this additional cost in two ways. First, we assume that 1.8% of children are under Medically Necessary Orthodontia treatment in any given year. These children will incur out of pocket costs of \$700 for Orthodontia so all in network non-Orthodontia claims will be paid at 100%. Second, we used an estimate of the percent of children who will reach \$700 in out of pocket expenses for non-Orthodontia treatments. Using a consultant's claim continuance curve, we estimated the cost of the benefits above the threshold. Both of these extra costs were added to the child claim costs.

Medically Necessary Orthodontia

- In-Network Starting Claims Cost –We expect the charge for medically necessary orthodontia treatment to be in line with our 36-month fee schedule reimbursement schedule.
- We estimate that 0.90% of covered Children will require a medically necessary Orthodontia treatment. This is based on a 3% assumption of Children having an orthodontia claim coupled with a 30% assumption of orthodontia treatments expected to be medically necessary.
- Network Adjustment – We assumed that our orthodontia fee schedule was discounted 25% vs. out-of-network orthodontia charges.
- Out-of-Network Starting Claims Cost – The network adjustment was backed out of the In-Network Starting Claims Cost to derive the Out-of-Network Starting Claims Cost.
- Coinsurance Adjustments – For the PPO High and PPO Low plans, an adjustment of 50% was applied to the in-network starting claims cost and an adjustment of 30% was applied to out-of-network claims costs.
- OOP Max Adjustment – The average in-network orthodontia charge was split into 8 quarterly payments to calculate Guardian's expected payment net of the annual out-of-pocket maximum.
- In-Network Utilization – Our in-network utilization assumption for pediatric orthodontia coverage was assumed to be 95%. This was used to blend the in-network claim costs net of coinsurance and the out-of-pocket maximum with the out-of-network starting claim costs.



Cosmetic Orthodontia Rating Methodology (when included)

We used our current rate manual to calculate an expected Orthodontia claim cost for the plan designs depicted in the Supplemental schedules referenced above for each of Colorado's 11 rating areas. Since we estimate that 30% of Orthodontia is Medically Necessary and included as part of the Essential Health Benefits, we calculate the cosmetic Orthodontia benefit cost as 70% of the amount derived by our rate manual.

Final Rates

The net Dental and Orthodontia claim costs are added together for each of the four plan designs. The overall cost is then divided by a Target Loss Ratio assumption of 65% in order to produce the premium rates for the four plan designs. Please refer to Exhibit I for the plan designs and premium rates.

We are also filing our current nationwide quarterly dental trend factor of 1.25%, which is intended to keep premium rates from lagging behind anticipated increases in dental claims costs. This quarterly rate increase will impact premium rates only on policyholder anniversaries.



Actuarial Certification

I, Anthony J. Tobia, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings. This actuarial memorandum has been prepared for the sole purpose of demonstrating the proposed rate schedules are reasonable and this memorandum may not be appropriate for other purposes. In my opinion, the premium rates and rating methodology to which this certification applies are neither excessive, inadequate nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of Colorado. The premium and rating methodology to which this certification applies also conforms to all applicable Actuarial Standards of Practice, including ASOP no. 8.

Anthony J. Tobia, FSA, MAAA
Associate Actuary
Group Products - Actuarial

7/19/2013
Date

Colorado SHOP Exchange Plan Designs

EHB (age 18 and under)

	EHB High Plan		EHB Low Plan	
	INN	OON	INN	OON
Diagnostic & Preventive	100%	80%	90%	0%
Basic Services	80%	60%	70%	0%
Major Services	50%	30%	40%	0%
Ortho (Med Nec)	50%	30%	50%	0%
Reimbursement Basis	Fee Sched	Fee Sched	Fee Sched	Fee Sched
Deductible	\$0	\$50 NWP	\$100 WP	N/A
Annual Maximum	N/A	N/A	N/A	N/A
Annual OOP Maximum	\$700	N/A	\$700	N/A
Ortho Lifetime Maximum	N/A	N/A	N/A	N/A
Waiting Periods	None	None	None	None
Actuarial Value	85.7%		71.0%	

Colorado SHOP Exchange
EHB Dental Rates per Child, Effective Dates 1/1/2014-3/31/2014

		PPO High	PPO Low
Region 1	Boulder	\$ 27.43	\$ 21.35
Region 2	El Paso, Teller	\$ 27.34	\$ 21.28
Region 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park	\$ 26.80	\$ 20.84
Region 4	Larimer	\$ 25.43	\$ 19.71
Region 5	Mesa	\$ 25.18	\$ 19.50
Region 6	Weld	\$ 25.43	\$ 19.71
Region 7	Pueblo	\$ 25.18	\$ 19.50
Region 8	Baca, Bent, Cheyenne, Crowley, Custer, Fremont, Huefano, Kiowa, Kit Carson, Las Animas, Lincoln, Mineral, Otero, Prowers, Alamosa, Chaffee, Conejos, Costilla, Rio Grande, Saguache	\$ 26.30	\$ 20.43
Region 9	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma	\$ 25.18	\$ 19.50
Region 10	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake, Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt, San Juan, San Miguel	\$ 25.39	\$ 19.67
Region 11	Eagle, Garfield, Pitkin, Summit	\$ 25.22	\$ 19.54

Colorado Exchange Plan Designs

Supplemental Plans

	High Plan w/o Ortho	
	INN	OON
Diagnostic & Preventive	100%	80%
Basic Services	80%	60%
Major Services	50%	30%
Cosmetic Ortho (Child)	N/A	N/A
Reimbursement Basis	Fee Sched	Fee Sched
Deductible	0	\$50 NWP
Ortho Lifetime Max	N/A	N/A
Waiting Periods (Major & Ortho)	12-month	12-month
Included EHB Design (for <19)	High Plan	

Low Plan w/o Ortho	
INN	OON
90%	0%
70%	0%
40%	0%
N/A	N/A
Fee Sched	Fee Sched
\$100 WP	N/A
N/A	N/A
12-month	12-month
Low Plan	

High Plan with Ortho	
INN	OON
100%	80%
80%	60%
50%	30%
50%	30%
Fee Sched	Fee Sched
0	\$50 NWP
\$1,500	\$1,500
12-month	12-month
High Plan	

Low Plan with Ortho	
INN	OON
90%	0%
70%	0%
40%	0%
50%	0%
Fee Sched	Fee Sched
\$100 WP	N/A
\$1,000	N/A
12-month	12-month
Low Plan	

Monthly Premium Rates for Colorado SHOP Exchange

Region 1	Boulder
Region 2	El Paso, Teller
Region 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park
Region 4	Larimer
Region 5	Mesa
Region 6	Weld
Region 7	Pueblo
Region 8	Baca, Bent, Cheyenne, Crowley, Custer, Fremont, Huefano, Kiowa, Kit Carson, Las Animas, Lincoln, Mineral, Otero, Prowers, Alamosa, Chaffee, Conejos, Costilla, Rio Grande, Saguache
Region 9	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma
Region 10	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake, Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt, San Juan, San Miguel
Region 11	Eagle, Garfield, Pitkin, Summit

	High Plan w/o Ortho	High Plan with Ortho	Low Plan w/o Ortho	Low Plan with Ortho
Rating Area 1				
1 Adult	\$ 31.02	\$ 31.02	\$ 23.09	\$ 23.09
2 Adults	\$ 62.11	\$ 62.11	\$ 46.24	\$ 46.24
1 Adult + 1 Child	\$ 54.17	\$ 61.70	\$ 40.96	\$ 45.99
1 Adult + 2 Children	\$ 77.31	\$ 92.39	\$ 58.83	\$ 68.88
1 Adult + 3 Children	\$ 112.03	\$ 138.41	\$ 85.64	\$ 103.22
2 Adults + 1 Child	\$ 85.26	\$ 92.79	\$ 64.11	\$ 69.13
2 Adults + 2 Children	\$ 108.40	\$ 123.47	\$ 81.98	\$ 92.03
2 Adults + 3 Children	\$ 143.12	\$ 169.50	\$ 108.78	\$ 126.37
Rating Area 2				
1 Adult	\$ 30.93	\$ 30.93	\$ 23.03	\$ 23.03
2 Adults	\$ 61.93	\$ 61.93	\$ 46.10	\$ 46.10
1 Adult + 1 Child	\$ 54.01	\$ 61.54	\$ 40.85	\$ 45.86
1 Adult + 2 Children	\$ 77.09	\$ 92.14	\$ 58.67	\$ 68.70
1 Adult + 3 Children	\$ 111.70	\$ 138.05	\$ 85.39	\$ 102.96
2 Adults + 1 Child	\$ 85.01	\$ 92.54	\$ 63.92	\$ 68.94
2 Adults + 2 Children	\$ 108.09	\$ 123.14	\$ 81.74	\$ 91.78
2 Adults + 3 Children	\$ 142.70	\$ 169.05	\$ 108.47	\$ 126.03
Rating Area 3				
1 Adult	\$ 30.40	\$ 30.40	\$ 22.63	\$ 22.63
2 Adults	\$ 60.86	\$ 60.86	\$ 45.31	\$ 45.31
1 Adult + 1 Child	\$ 53.08	\$ 60.53	\$ 40.15	\$ 45.12
1 Adult + 2 Children	\$ 75.76	\$ 90.66	\$ 57.67	\$ 67.60
1 Adult + 3 Children	\$ 109.79	\$ 135.86	\$ 83.95	\$ 101.33
2 Adults + 1 Child	\$ 83.55	\$ 91.00	\$ 62.83	\$ 67.80
2 Adults + 2 Children	\$ 106.23	\$ 121.13	\$ 80.35	\$ 90.28
2 Adults + 3 Children	\$ 140.25	\$ 166.32	\$ 106.63	\$ 124.01
Rating Area 4				
1 Adult	\$ 29.01	\$ 29.01	\$ 21.59	\$ 21.59
2 Adults	\$ 58.07	\$ 58.07	\$ 43.23	\$ 43.23
1 Adult + 1 Child	\$ 50.65	\$ 57.90	\$ 38.33	\$ 43.16
1 Adult + 2 Children	\$ 72.30	\$ 86.79	\$ 55.06	\$ 64.72
1 Adult + 3 Children	\$ 104.78	\$ 130.13	\$ 80.17	\$ 97.07
2 Adults + 1 Child	\$ 79.72	\$ 86.97	\$ 59.97	\$ 64.80
2 Adults + 2 Children	\$ 101.37	\$ 115.86	\$ 76.70	\$ 86.36
2 Adults + 3 Children	\$ 133.84	\$ 159.20	\$ 101.81	\$ 118.71
Rating Area 5				
1 Adult	\$ 28.74	\$ 28.74	\$ 21.40	\$ 21.40
2 Adults	\$ 57.55	\$ 57.55	\$ 42.84	\$ 42.84
1 Adult + 1 Child	\$ 50.20	\$ 57.41	\$ 37.99	\$ 42.79
1 Adult + 2 Children	\$ 71.65	\$ 86.07	\$ 54.57	\$ 64.19
1 Adult + 3 Children	\$ 103.83	\$ 129.06	\$ 79.45	\$ 96.28
2 Adults + 1 Child	\$ 79.00	\$ 86.21	\$ 59.43	\$ 64.24
2 Adults + 2 Children	\$ 100.46	\$ 114.87	\$ 76.02	\$ 85.63
2 Adults + 3 Children	\$ 132.64	\$ 157.87	\$ 100.90	\$ 117.72

Rating Area 6

1 Adult	\$ 29.01	\$ 29.01	\$ 21.59	\$ 21.59
2 Adults	\$ 58.07	\$ 58.07	\$ 43.23	\$ 43.23
1 Adult + 1 Child	\$ 50.65	\$ 57.90	\$ 38.33	\$ 43.16
1 Adult + 2 Children	\$ 72.30	\$ 86.79	\$ 55.06	\$ 64.72
1 Adult + 3 Children	\$ 104.78	\$ 130.13	\$ 80.17	\$ 97.07
2 Adults + 1 Child	\$ 79.72	\$ 86.97	\$ 59.97	\$ 64.80
2 Adults + 2 Children	\$ 101.37	\$ 115.86	\$ 76.70	\$ 86.36
2 Adults + 3 Children	\$ 133.84	\$ 159.20	\$ 101.81	\$ 118.71

Rating Area 7

1 Adult	\$ 28.74	\$ 28.74	\$ 21.40	\$ 21.40
2 Adults	\$ 57.55	\$ 57.55	\$ 42.84	\$ 42.84
1 Adult + 1 Child	\$ 50.20	\$ 57.41	\$ 37.99	\$ 42.79
1 Adult + 2 Children	\$ 71.65	\$ 86.07	\$ 54.57	\$ 64.19
1 Adult + 3 Children	\$ 103.83	\$ 129.06	\$ 79.45	\$ 96.28
2 Adults + 1 Child	\$ 79.00	\$ 86.21	\$ 59.43	\$ 64.24
2 Adults + 2 Children	\$ 100.46	\$ 114.87	\$ 76.02	\$ 85.63
2 Adults + 3 Children	\$ 132.64	\$ 157.87	\$ 100.90	\$ 117.72

Rating Area 8

1 Adult	\$ 29.89	\$ 29.89	\$ 22.25	\$ 22.25
2 Adults	\$ 59.84	\$ 59.84	\$ 44.55	\$ 44.55
1 Adult + 1 Child	\$ 52.19	\$ 59.67	\$ 39.48	\$ 44.47
1 Adult + 2 Children	\$ 74.50	\$ 89.45	\$ 56.72	\$ 66.69
1 Adult + 3 Children	\$ 107.95	\$ 134.12	\$ 82.56	\$ 100.01
2 Adults + 1 Child	\$ 82.15	\$ 89.62	\$ 61.78	\$ 66.77
2 Adults + 2 Children	\$ 104.45	\$ 119.41	\$ 79.01	\$ 88.98
2 Adults + 3 Children	\$ 137.91	\$ 164.08	\$ 104.86	\$ 122.31

Rating Area 9

1 Adult	\$ 28.74	\$ 28.74	\$ 21.40	\$ 21.40
2 Adults	\$ 57.55	\$ 57.55	\$ 42.84	\$ 42.84
1 Adult + 1 Child	\$ 50.20	\$ 57.41	\$ 37.99	\$ 42.79
1 Adult + 2 Children	\$ 71.65	\$ 86.07	\$ 54.57	\$ 64.19
1 Adult + 3 Children	\$ 103.83	\$ 129.06	\$ 79.45	\$ 96.28
2 Adults + 1 Child	\$ 79.00	\$ 86.21	\$ 59.43	\$ 64.24
2 Adults + 2 Children	\$ 100.46	\$ 114.87	\$ 76.02	\$ 85.63
2 Adults + 3 Children	\$ 132.64	\$ 157.87	\$ 100.90	\$ 117.72

Rating Area 10

1 Adult	\$ 28.96	\$ 28.96	\$ 21.56	\$ 21.56
2 Adults	\$ 57.99	\$ 57.99	\$ 43.17	\$ 43.17
1 Adult + 1 Child	\$ 50.58	\$ 57.82	\$ 38.27	\$ 43.10
1 Adult + 2 Children	\$ 72.19	\$ 86.68	\$ 54.98	\$ 64.64
1 Adult + 3 Children	\$ 104.62	\$ 129.98	\$ 80.05	\$ 96.95
2 Adults + 1 Child	\$ 79.60	\$ 86.85	\$ 59.88	\$ 64.71
2 Adults + 2 Children	\$ 101.22	\$ 115.71	\$ 76.59	\$ 86.25
2 Adults + 3 Children	\$ 133.64	\$ 159.00	\$ 101.66	\$ 118.56

Rating Area 11

1 Adult	\$ 28.79	\$ 28.79	\$ 21.44	\$ 21.44
2 Adults	\$ 57.65	\$ 57.65	\$ 42.92	\$ 42.92
1 Adult + 1 Child	\$ 50.28	\$ 57.50	\$ 38.05	\$ 42.86
1 Adult + 2 Children	\$ 71.77	\$ 86.21	\$ 54.67	\$ 64.29
1 Adult + 3 Children	\$ 104.01	\$ 129.28	\$ 79.59	\$ 96.44
2 Adults + 1 Child	\$ 79.14	\$ 86.36	\$ 59.53	\$ 64.34
2 Adults + 2 Children	\$ 100.63	\$ 115.07	\$ 76.15	\$ 85.77
2 Adults + 3 Children	\$ 132.86	\$ 158.14	\$ 101.07	\$ 117.92